UNITED STATES CIRCUIT COURT,

FOR THE DISTRICT OF MAINE.

EASTERN PAPER BAG COMPANY

VS.

CONTINENTAL PAPER BAG COMPANY

DEFENDANT'S RECORD.

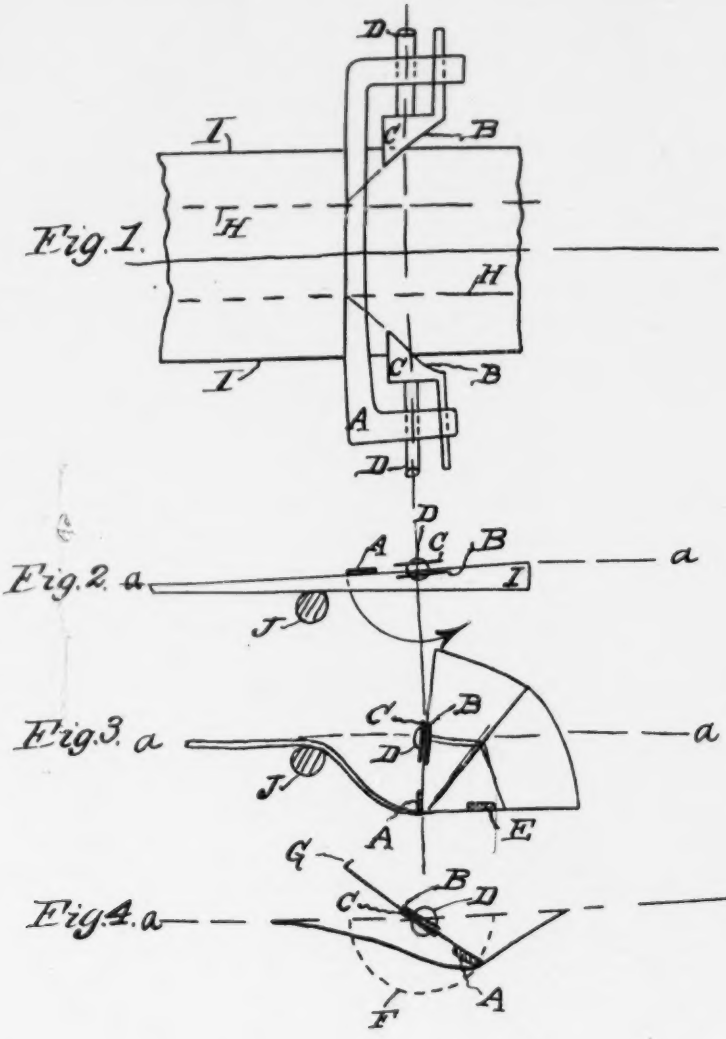
VOLUME 3.

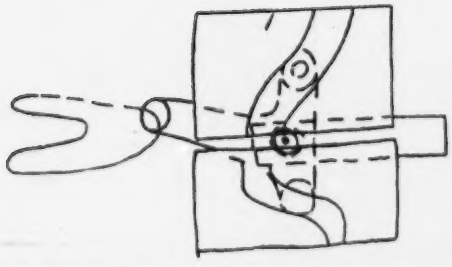
ALBERT H. WALKER,
ATTORNEY.

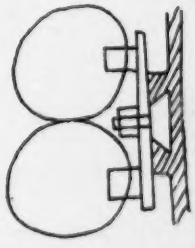
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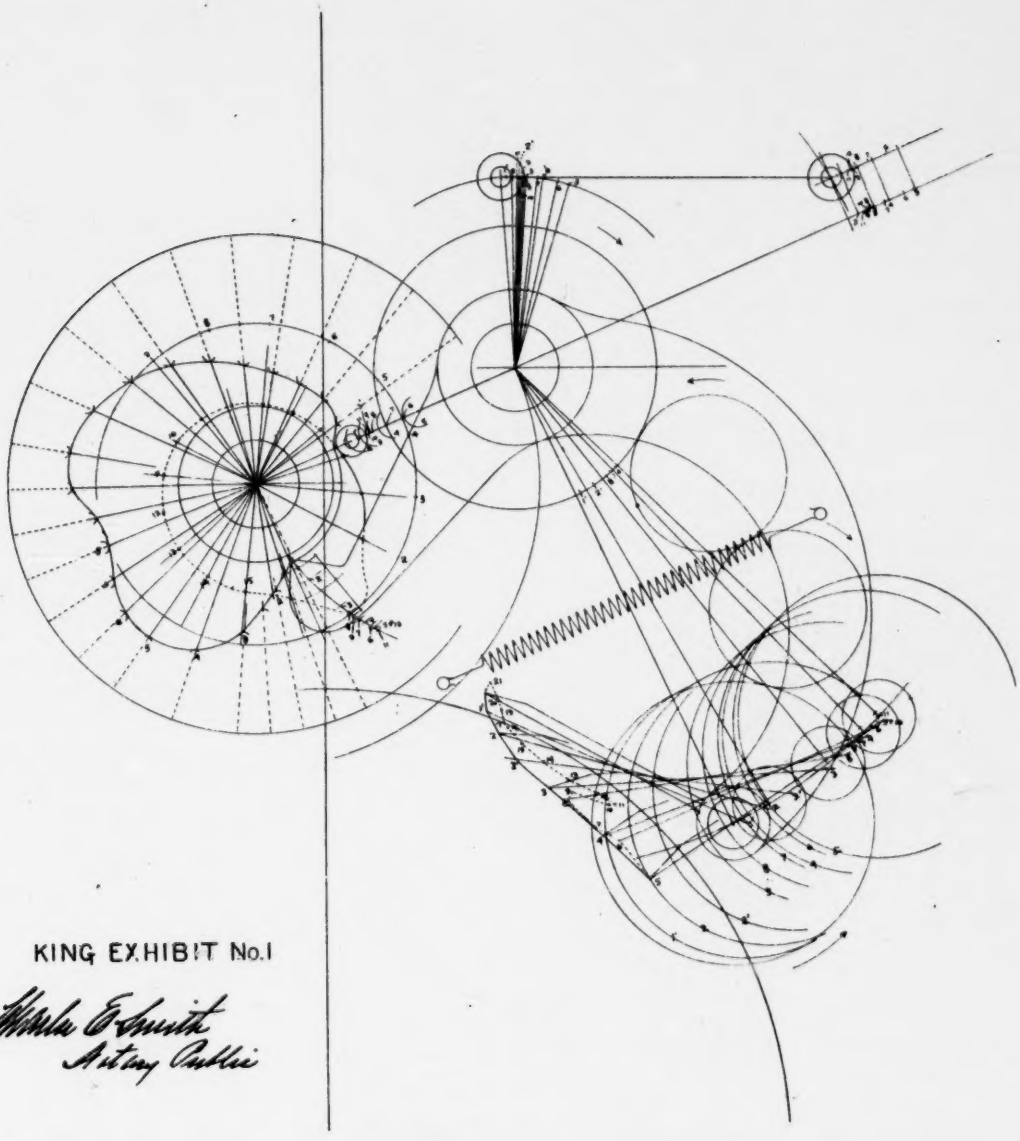
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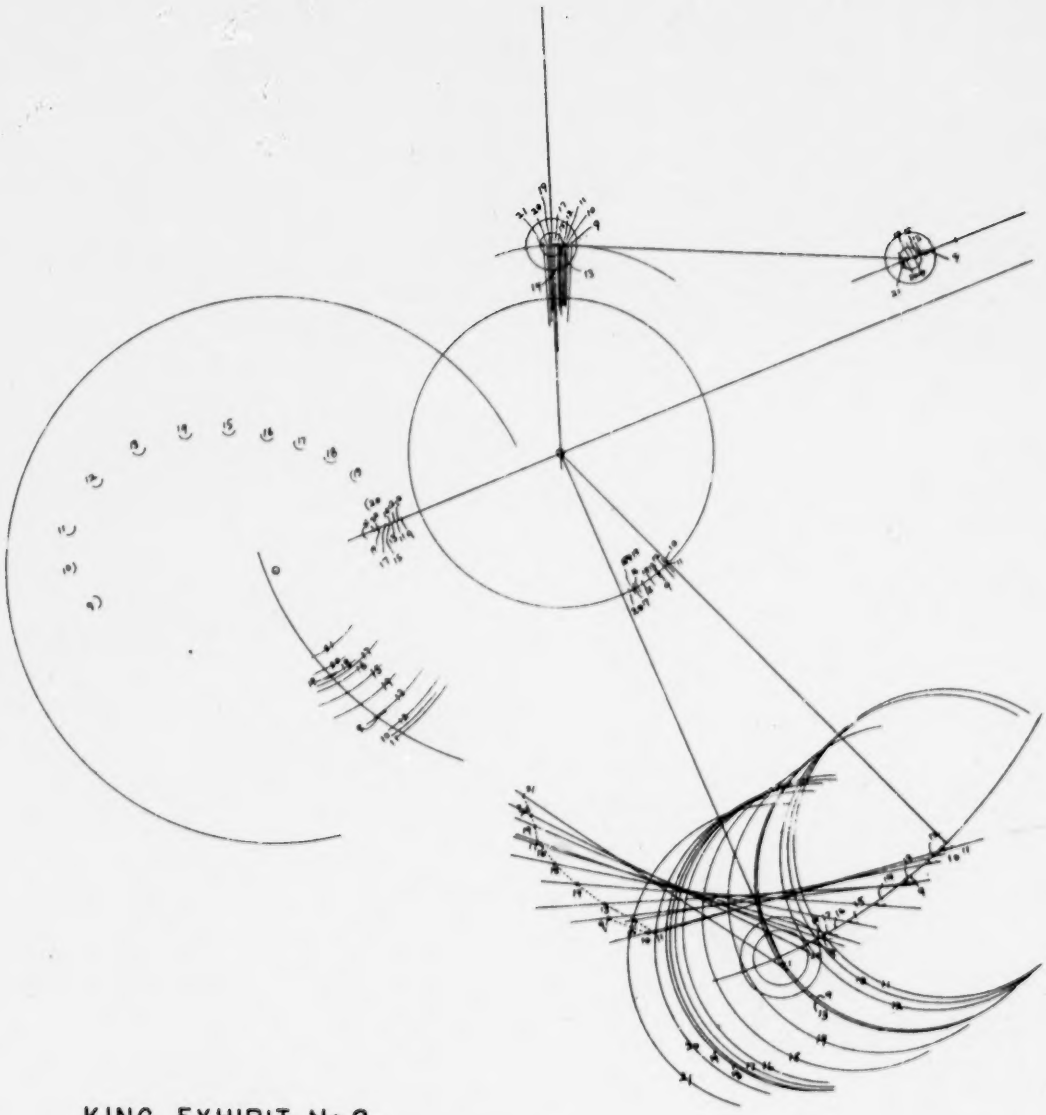


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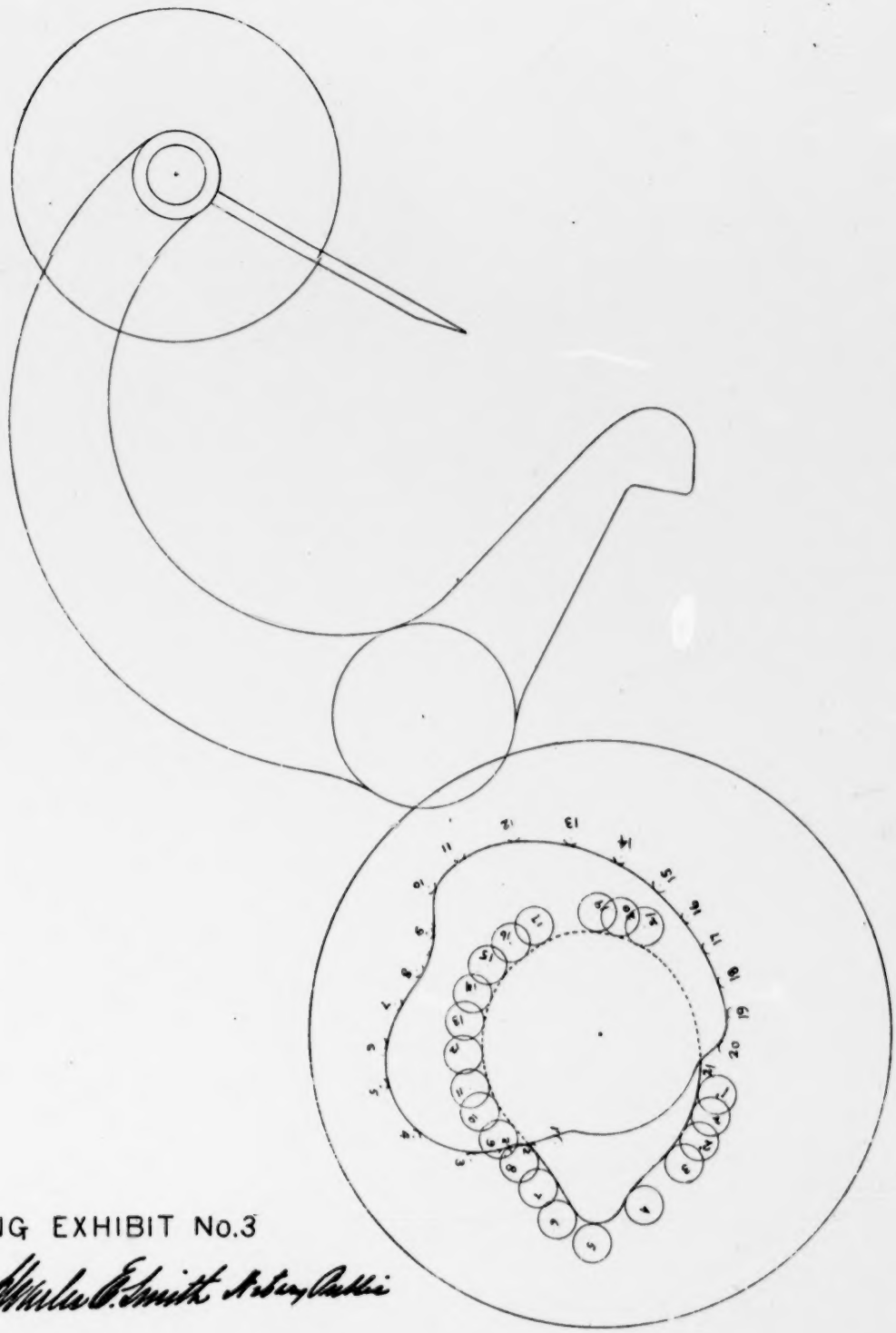
KING EXHIBIT No.1

Wilda E. Smith
Notary Public



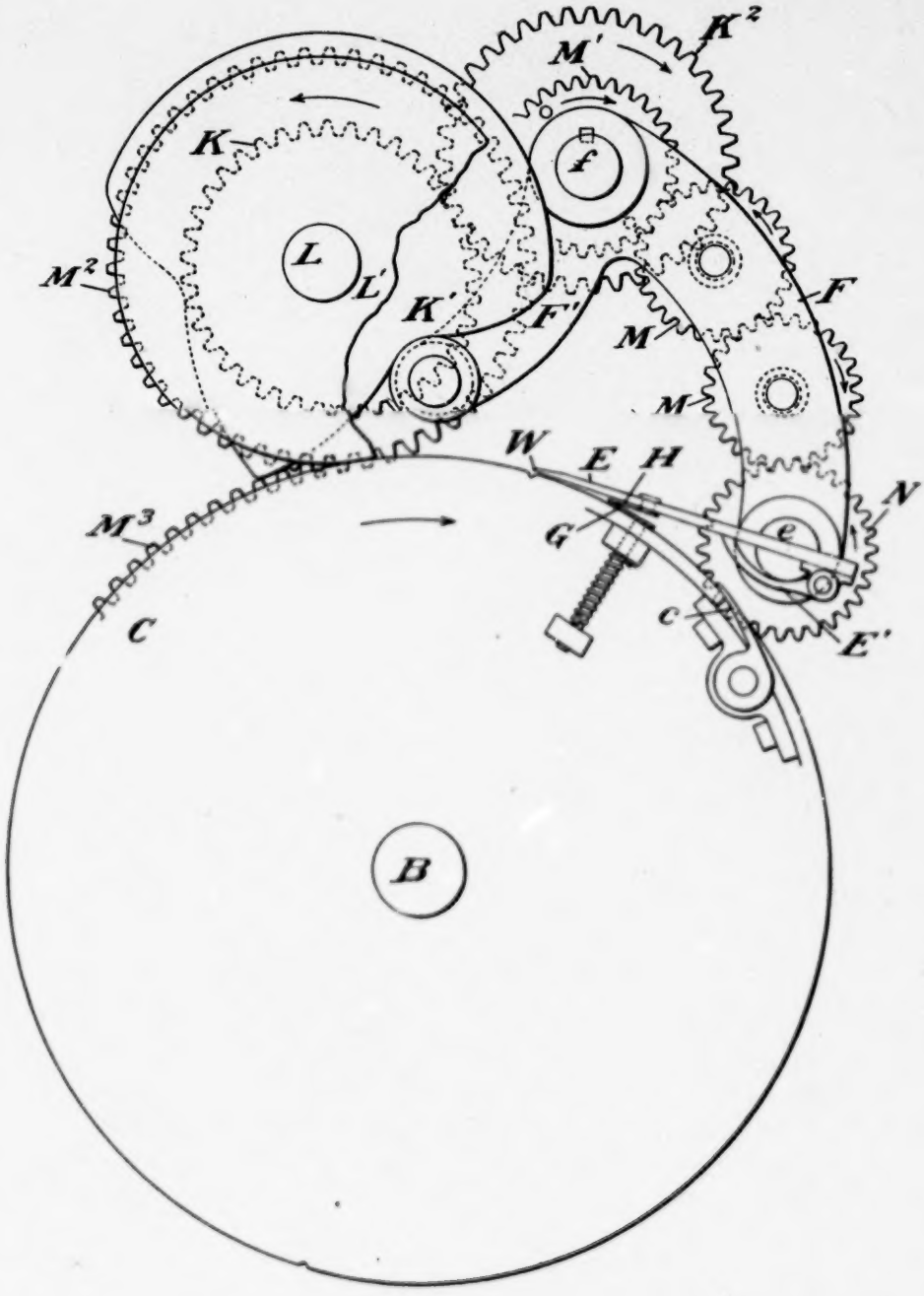
KING EXHIBIT No.2

Charles E. Smith Notary Public



KING EXHIBIT No.3

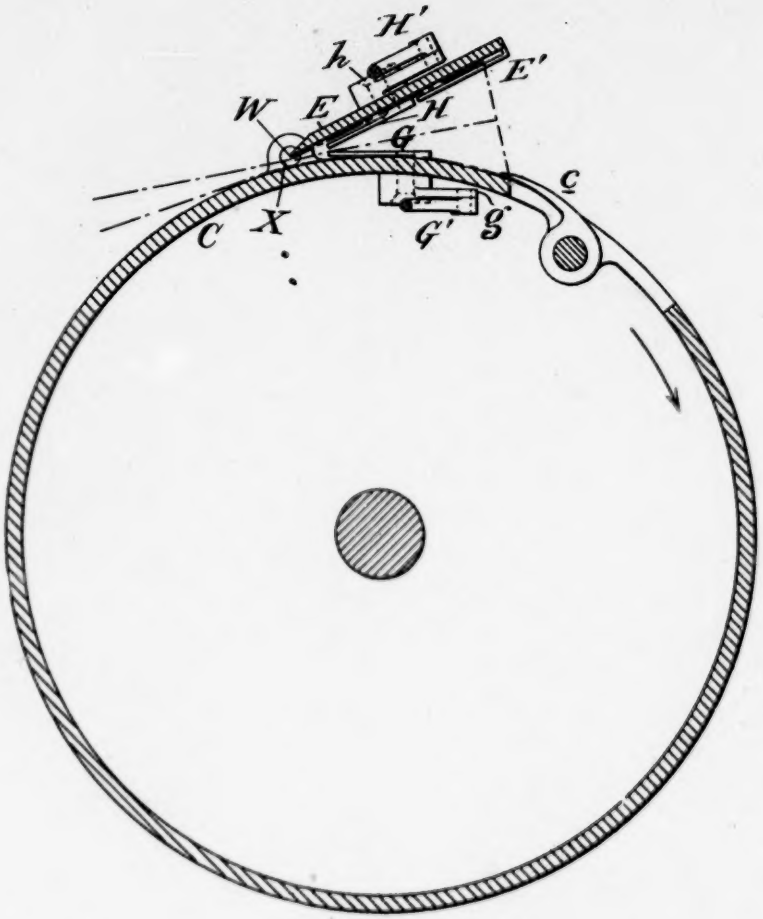
Charles E. Smith & Associates



LIDDELL DRAWING No.1

Wm E. McReynolds
Notary Public

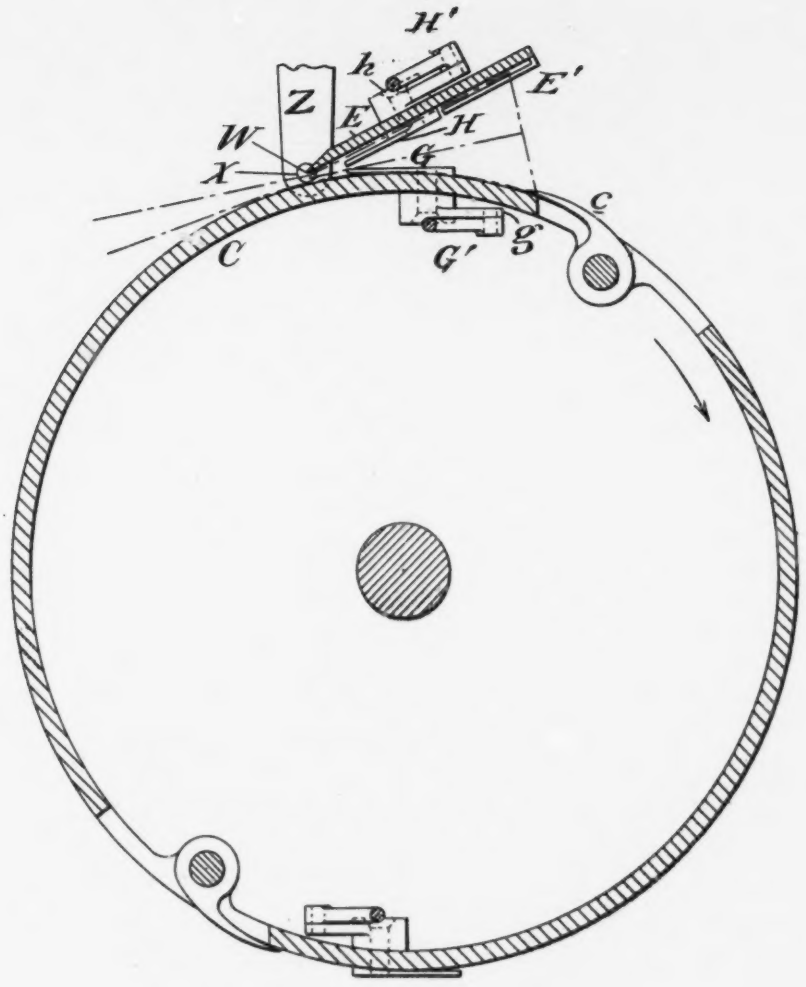
(signed) William Liddell



DEFENDANT'S DRAWING No. 1.

John A. Shields
Examiner

Charles E. Smith
Notary Public



DEFENDANT'S DRAWING No.2.

Wm. A. Shields

Examiner

Charles E. Smith

Notary Public

Fig.1

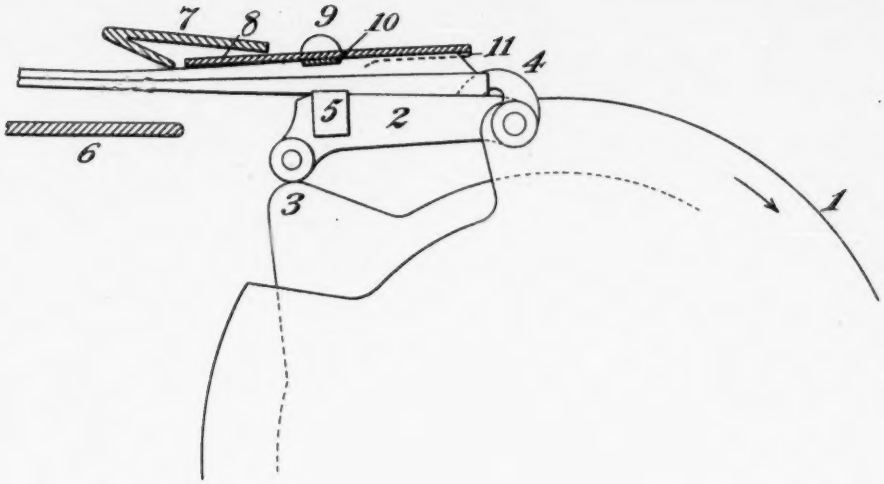
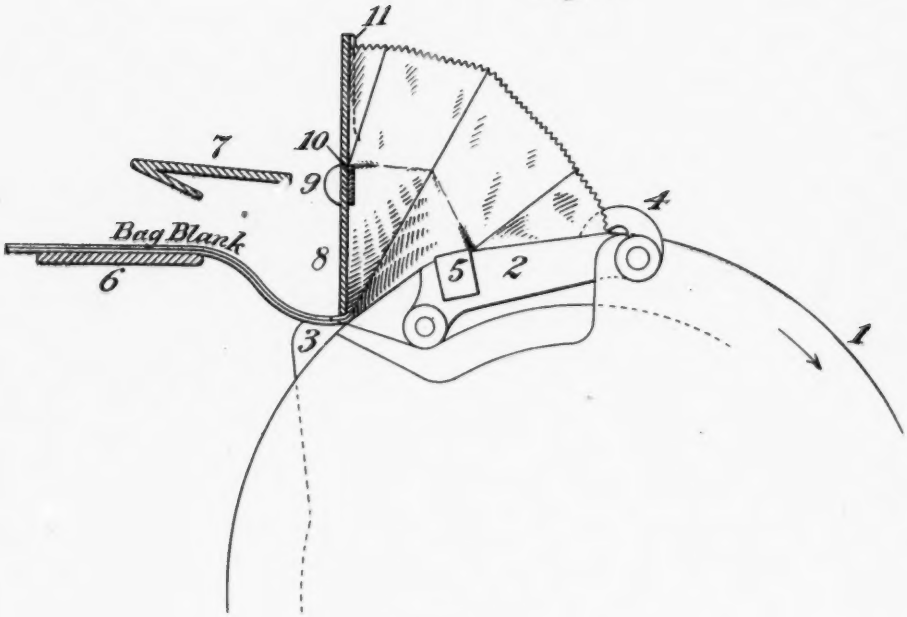


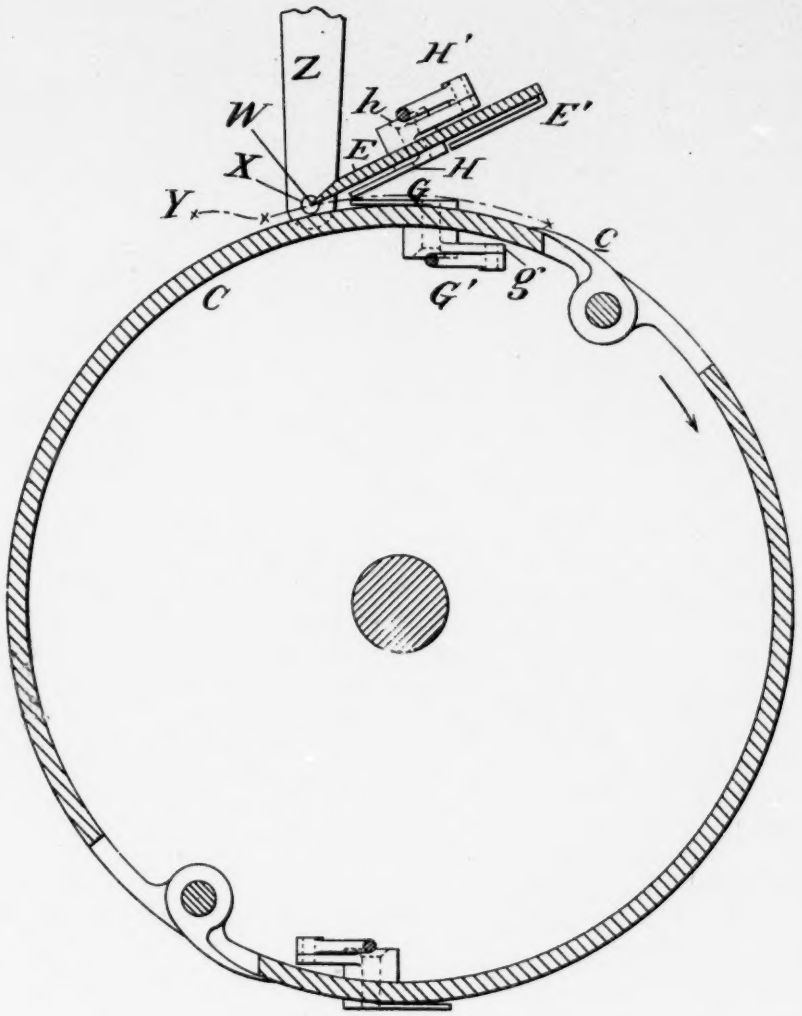
Fig.2



DEFENDANT'S DRAWING No. 3.

Wm. A. Shirley
Examiner

Charles E. Smith
Notary Public



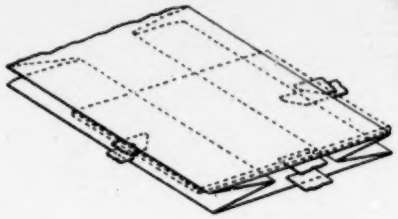
DEFENDANT'S DRAWING No. 4.

Wm. T. Shields
Examiner

Wm. E. Smith
Notary Public

L. & H. 337,966

LIDDELL 558,969



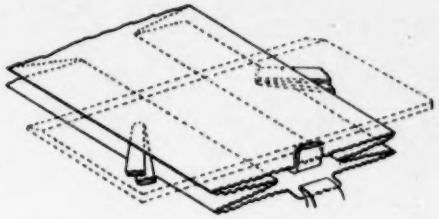
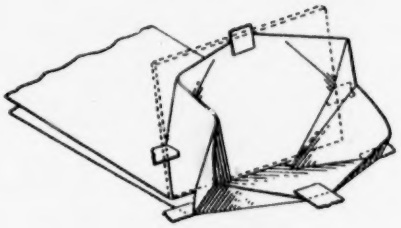


FIG. 5



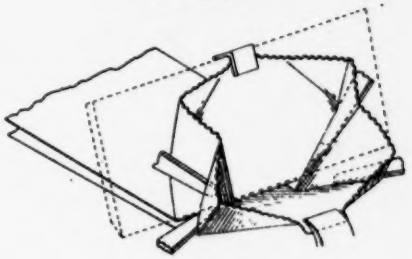
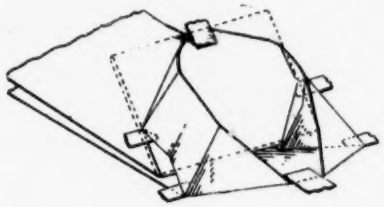


FIG. 6



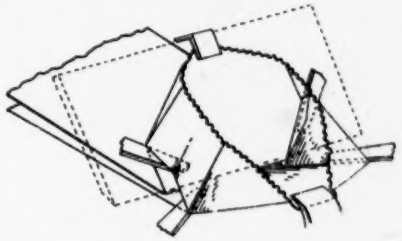
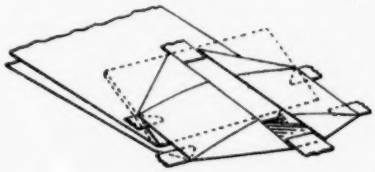


FIG. 7



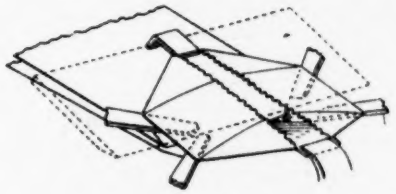


FIG. 8

DEFENDANT'S DRAWING No. 5

Charles E. Smith
Notary Public

L.&C. 534,512

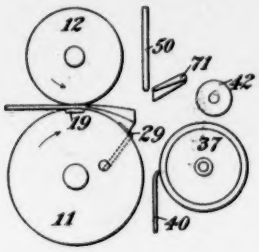


FIG. 1

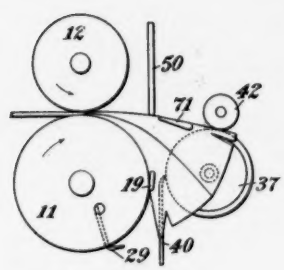


FIG. 2

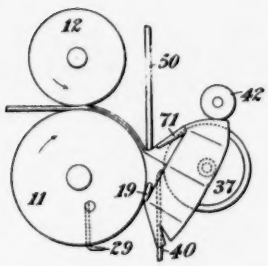


FIG. 3

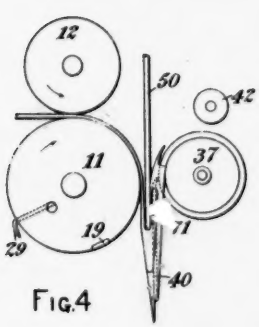


FIG. 4

MODIFIED L.&C. 534,512

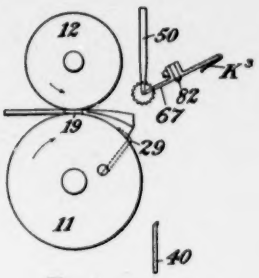


FIG. 1

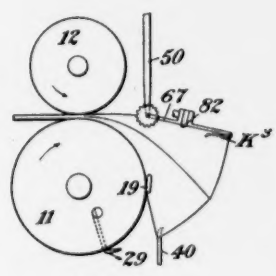


FIG. 2

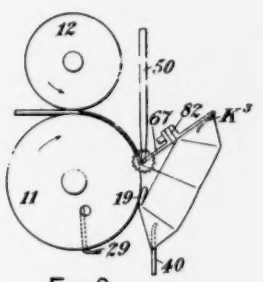


FIG. 3

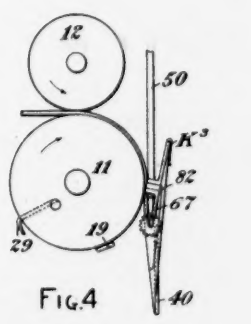


FIG. 4

LIDDELL 558,969

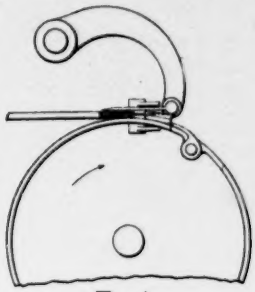


FIG. 1

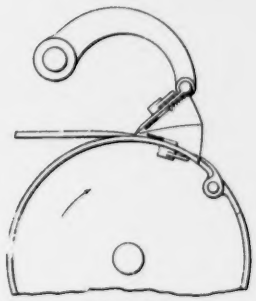


FIG. 2

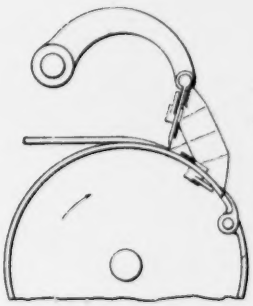


FIG. 3

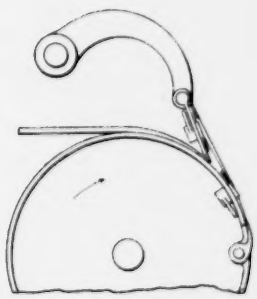


FIG. 4

DEFENDANT'S DRAWING No. 6

Witness E. Schmidt
Arthur Cullis

CRIST 543,571

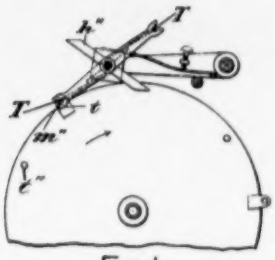


FIG. 1

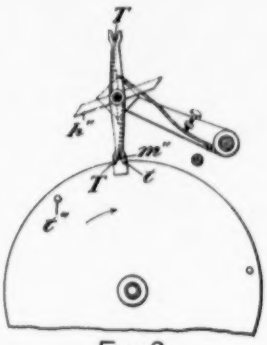


FIG. 2

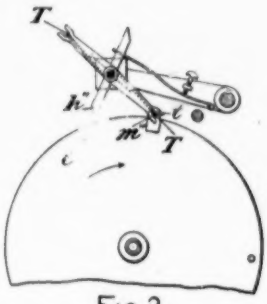


FIG. 3

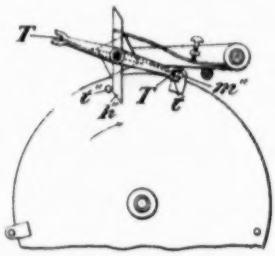


FIG. 4

MODIFIED CRIST 543,571

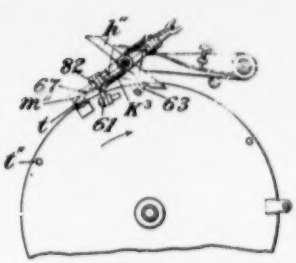


FIG. 1

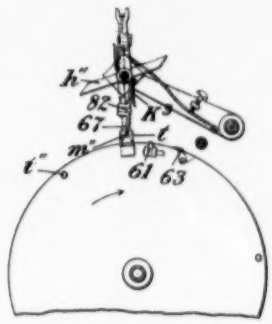


FIG. 2

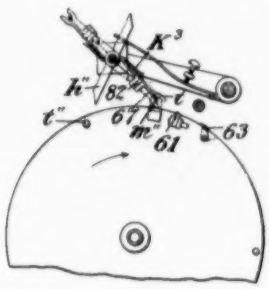


FIG. 3

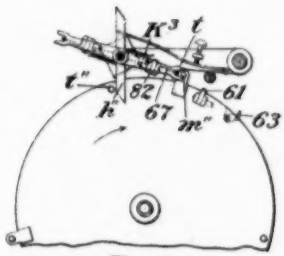


FIG. 4

LIDDELL 558,969

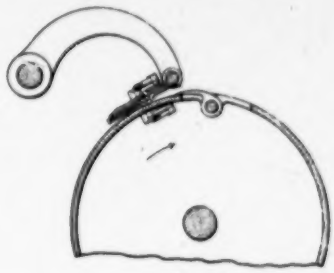


FIG. 1

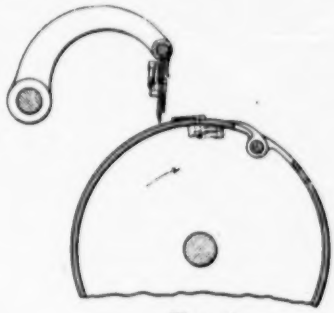


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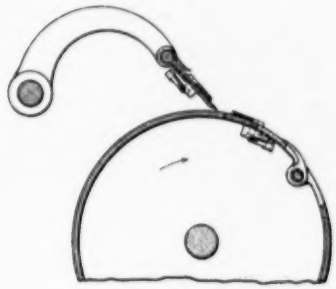


FIG. 3

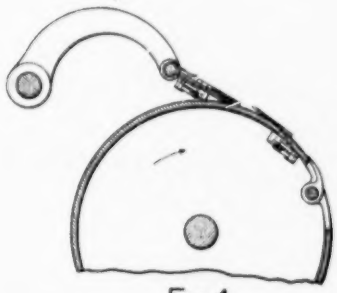


FIG. 4

DEFENDANT'S DRAWING No. 7

PRIOR ART

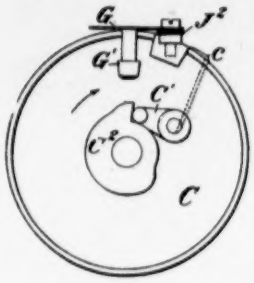


FIG. 1

LIDDELL 558,969

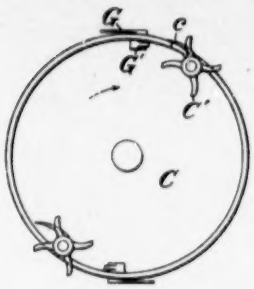


FIG. 1

DEFENDANT'S MACHINE

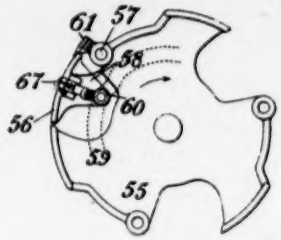


FIG. 1

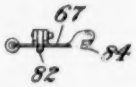


FIG. 2

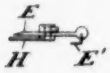


FIG. 2



FIG. 2

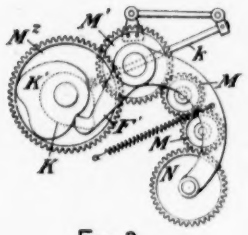


FIG. 3

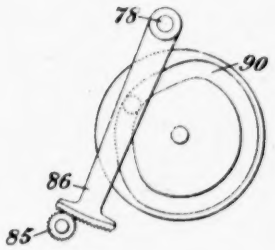


FIG. 3

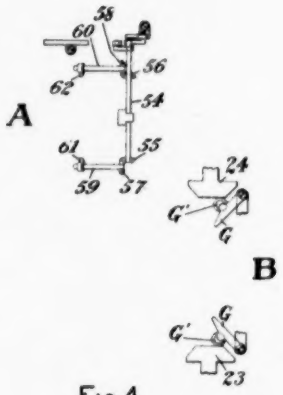


FIG. 4

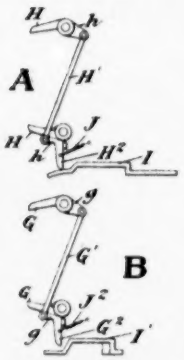


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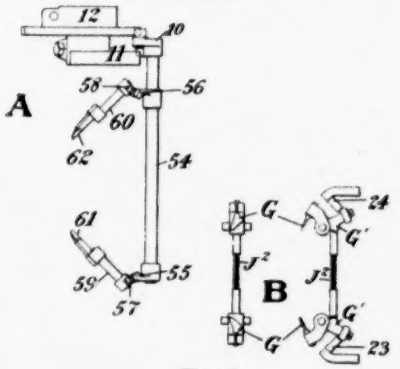


FIG. 4

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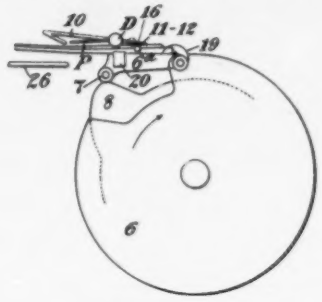


FIG. 1

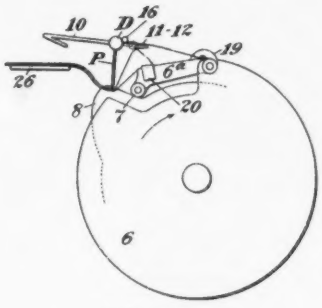


FIG. 2

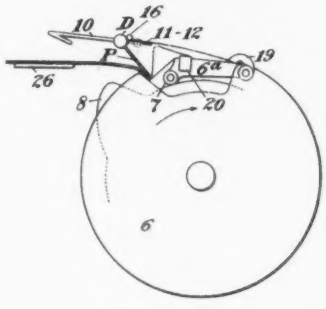


FIG. 3

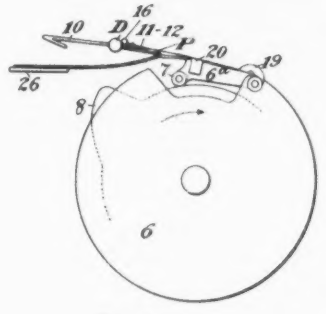


FIG. 4

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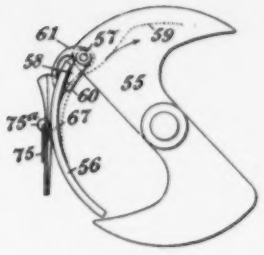


FIG. 1

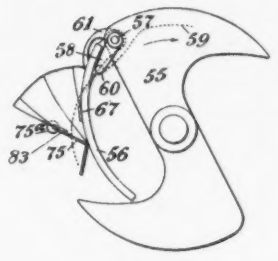


FIG. 2

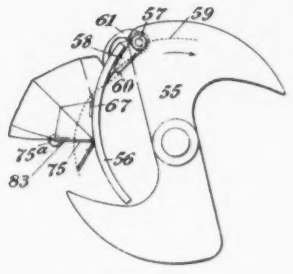


FIG. 3

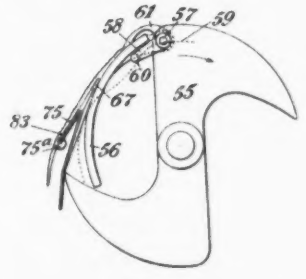


FIG. 4

DEFENDANT'S MACHINE

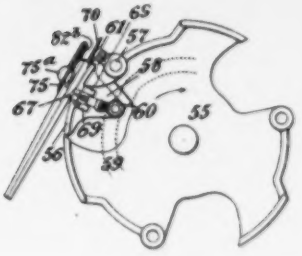


FIG. 1

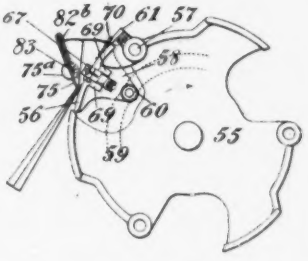


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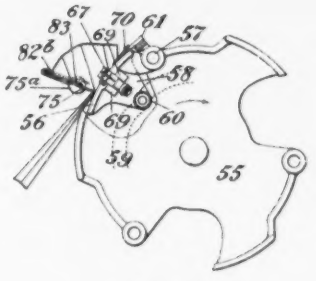


FIG. 3

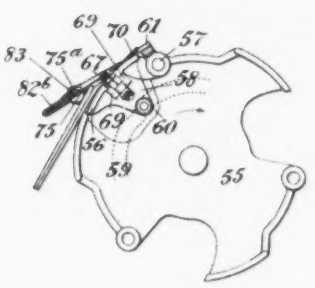
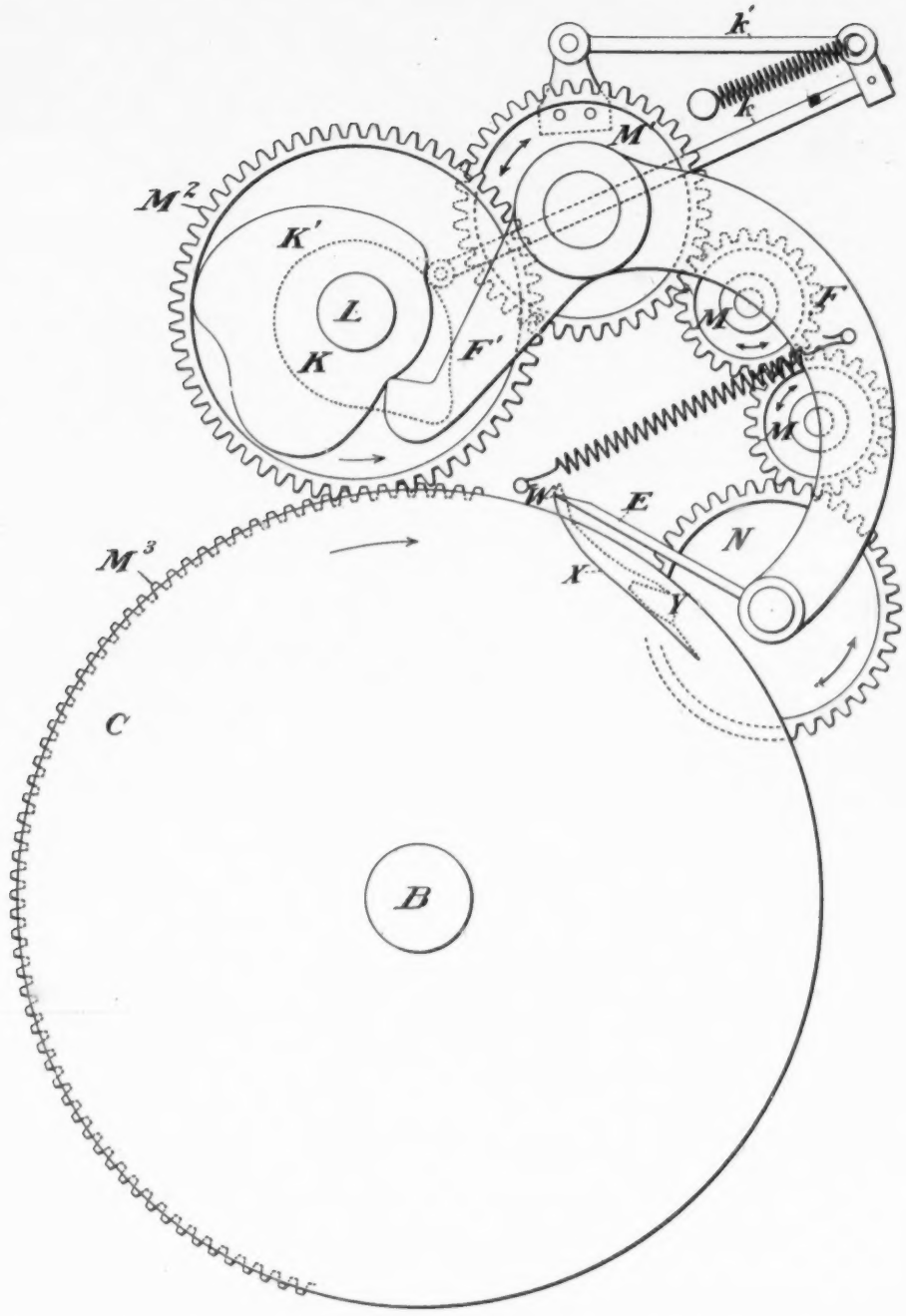


FIG. 4

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William Edmunds
Attorney Solicitor

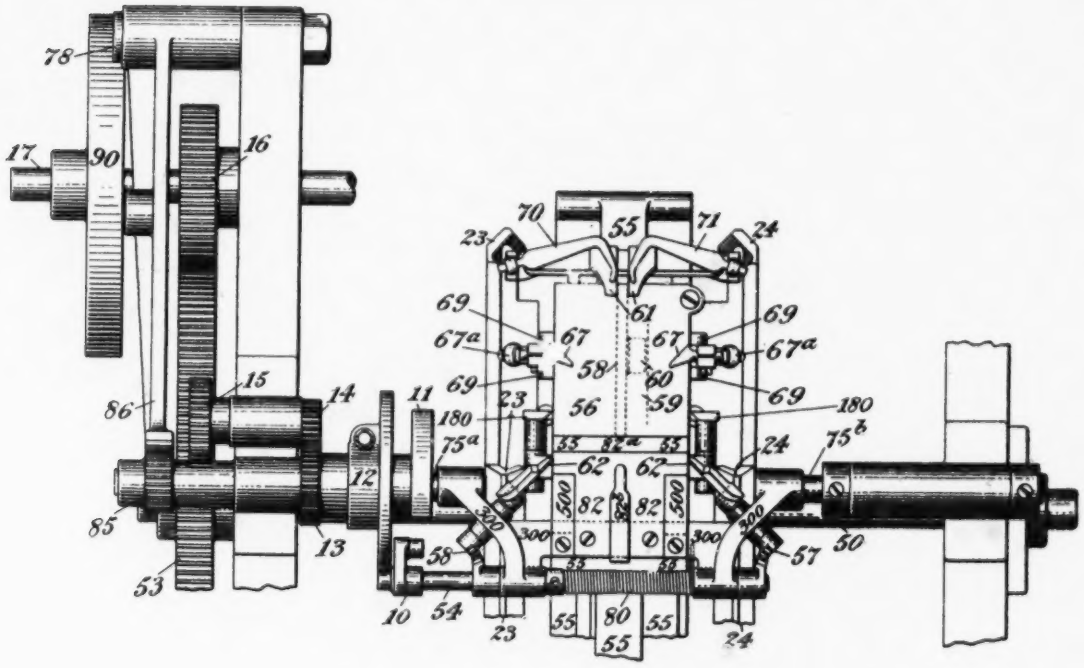
LIDDELL 558,969



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WALKER MODEL-ROOM MACHINE



DEFENDANT'S DRAWING No.11

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Notary Public

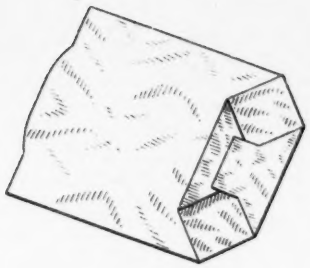


Fig. 1

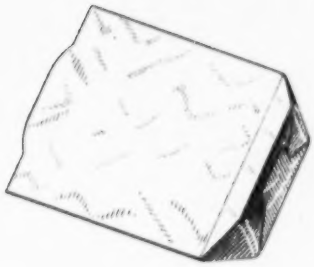


Fig. 2

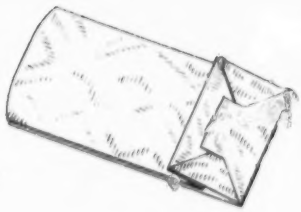


Fig. 3

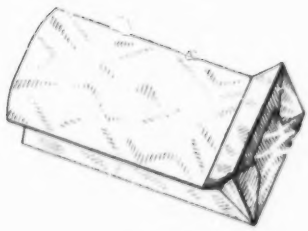
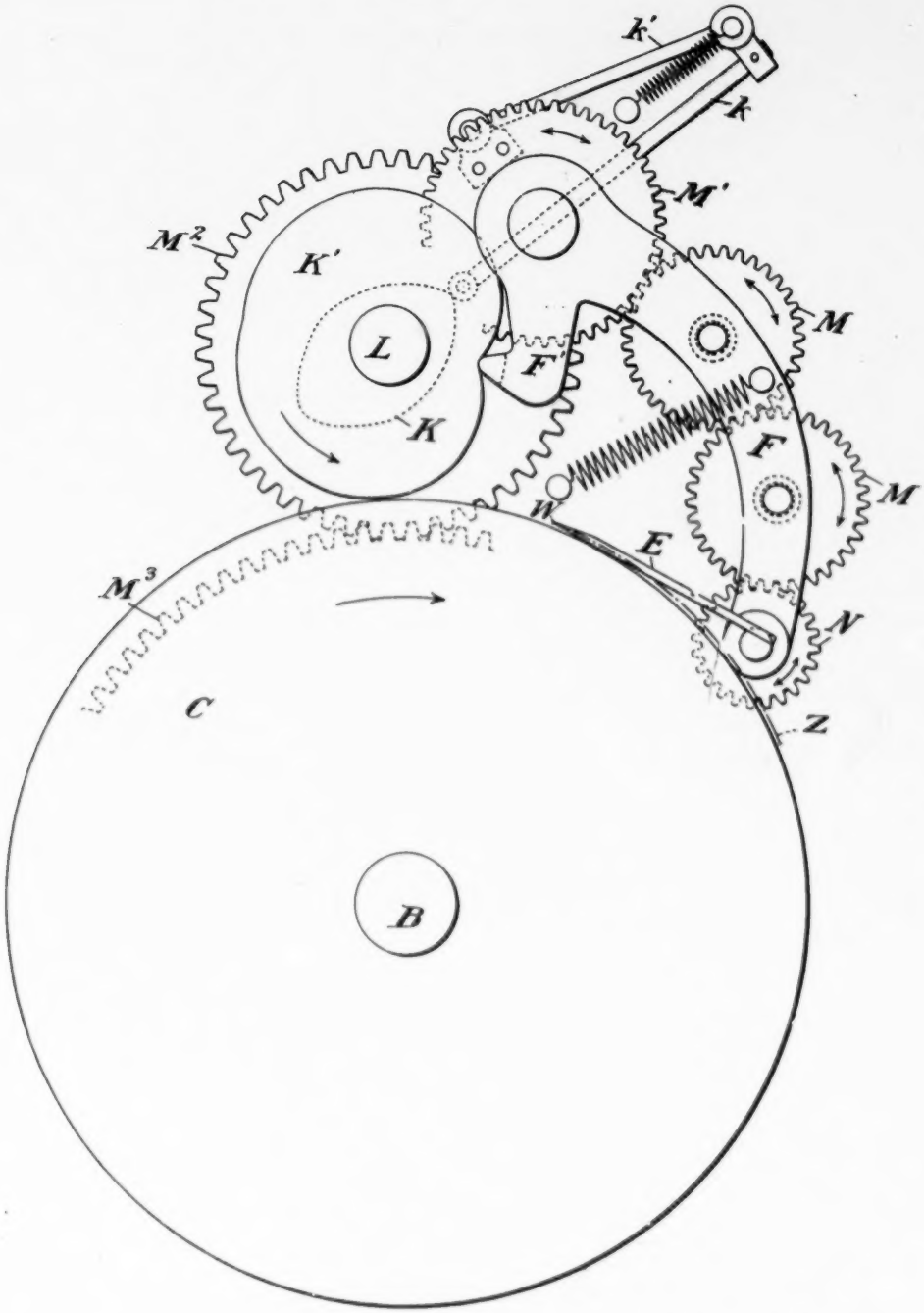


Fig. 4

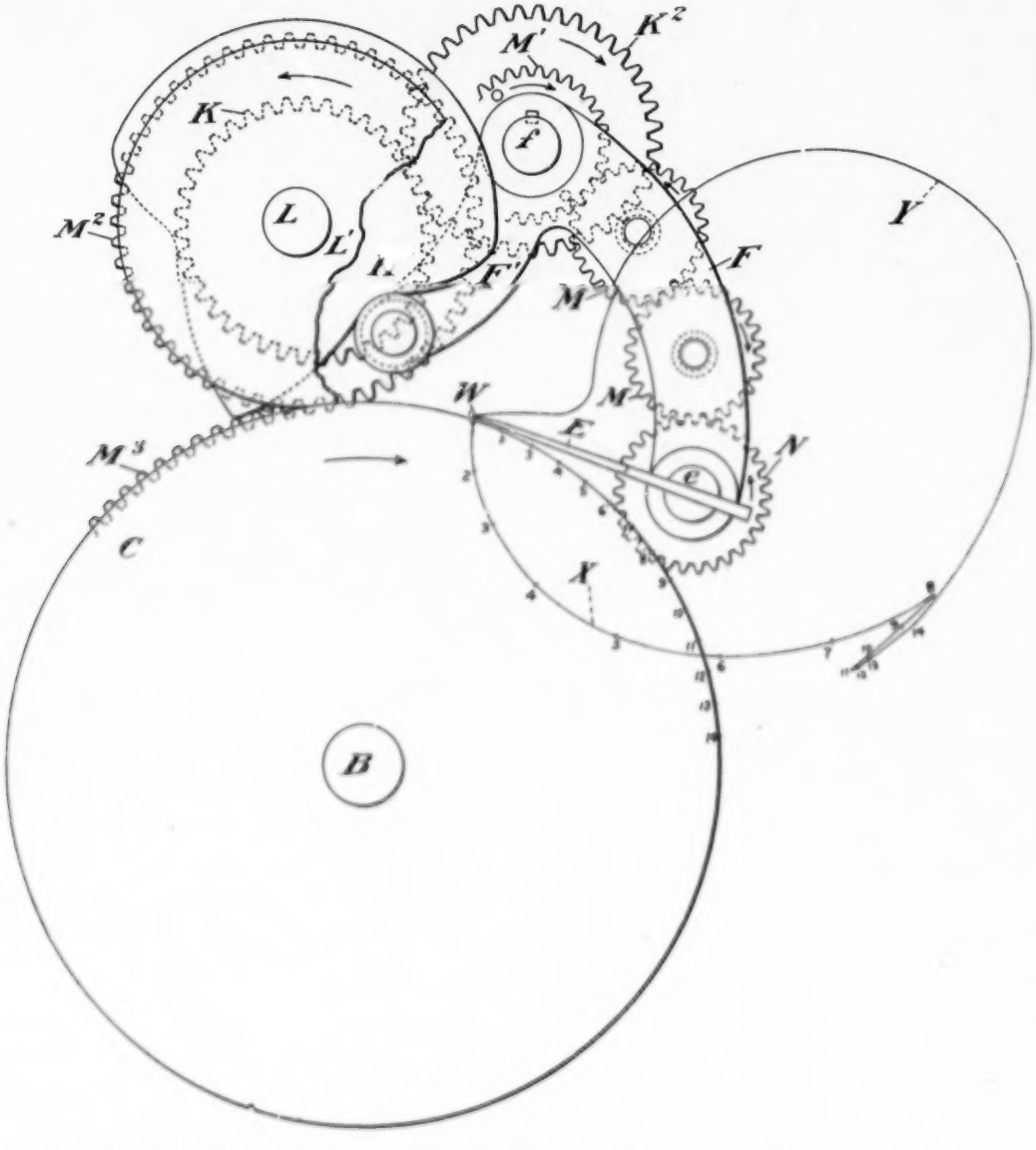
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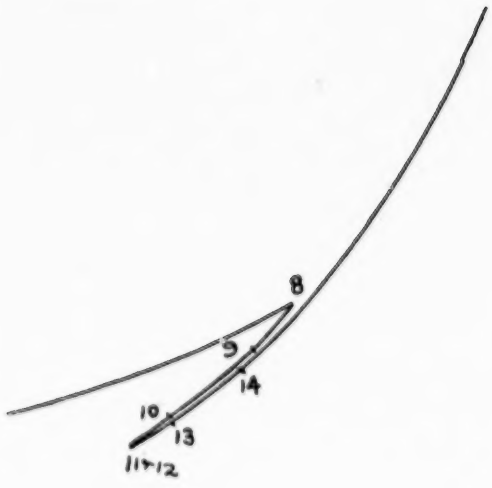
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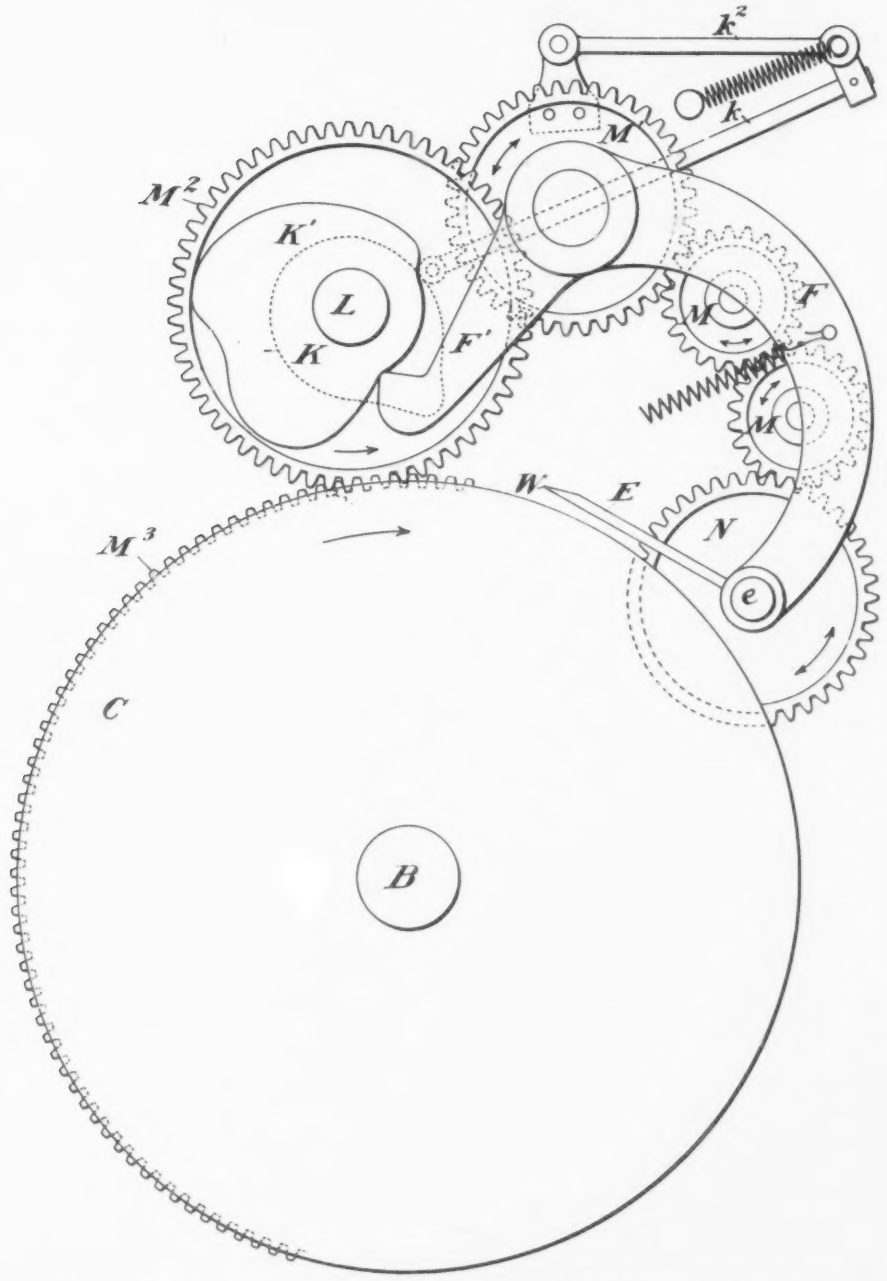
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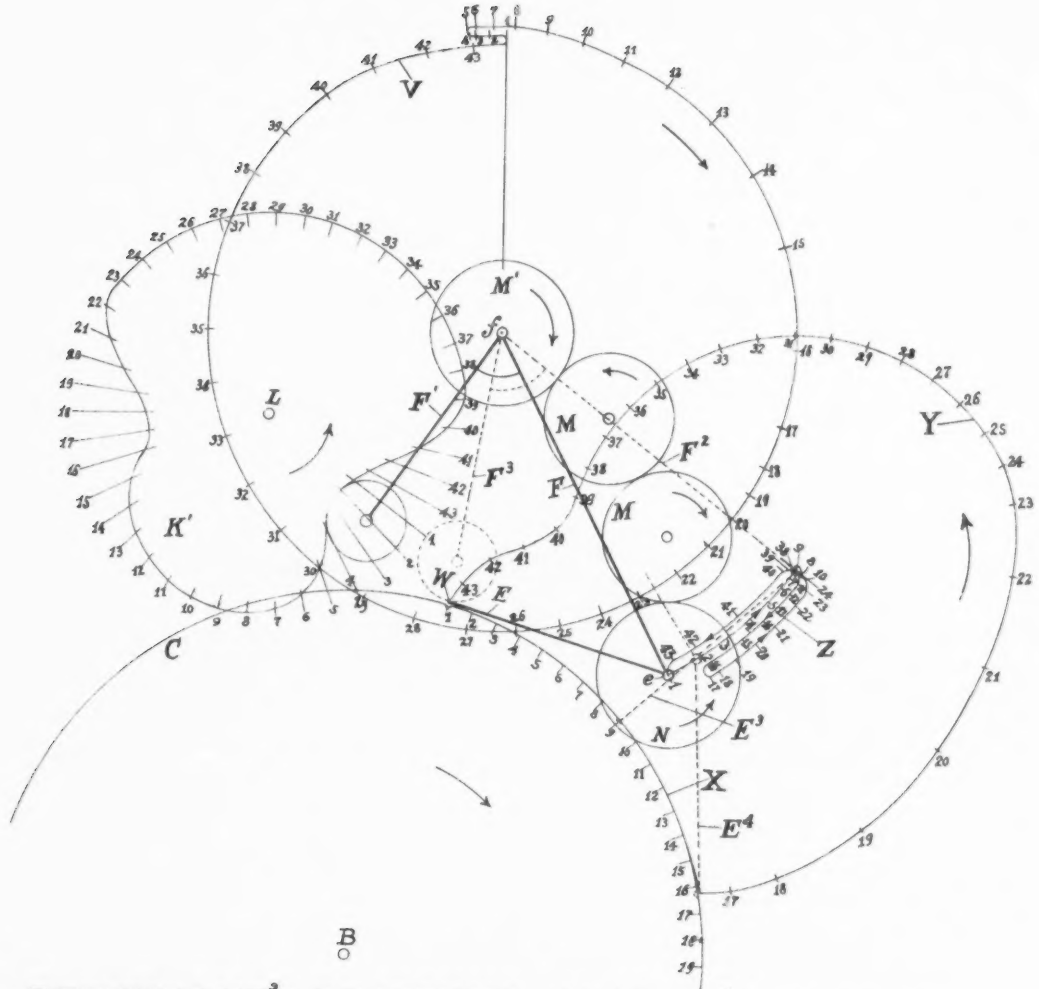
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LIDDELL 558,969



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Notary Public



DEFENDANT'S DRAWING No17

Frederick Cobbett
Notary Public

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IN THE

SUPREME COURT OF THE UNITED STATES.

APRIL 1908.

CONTINENTAL PAPER BAG COMPANY,
PETITIONER,

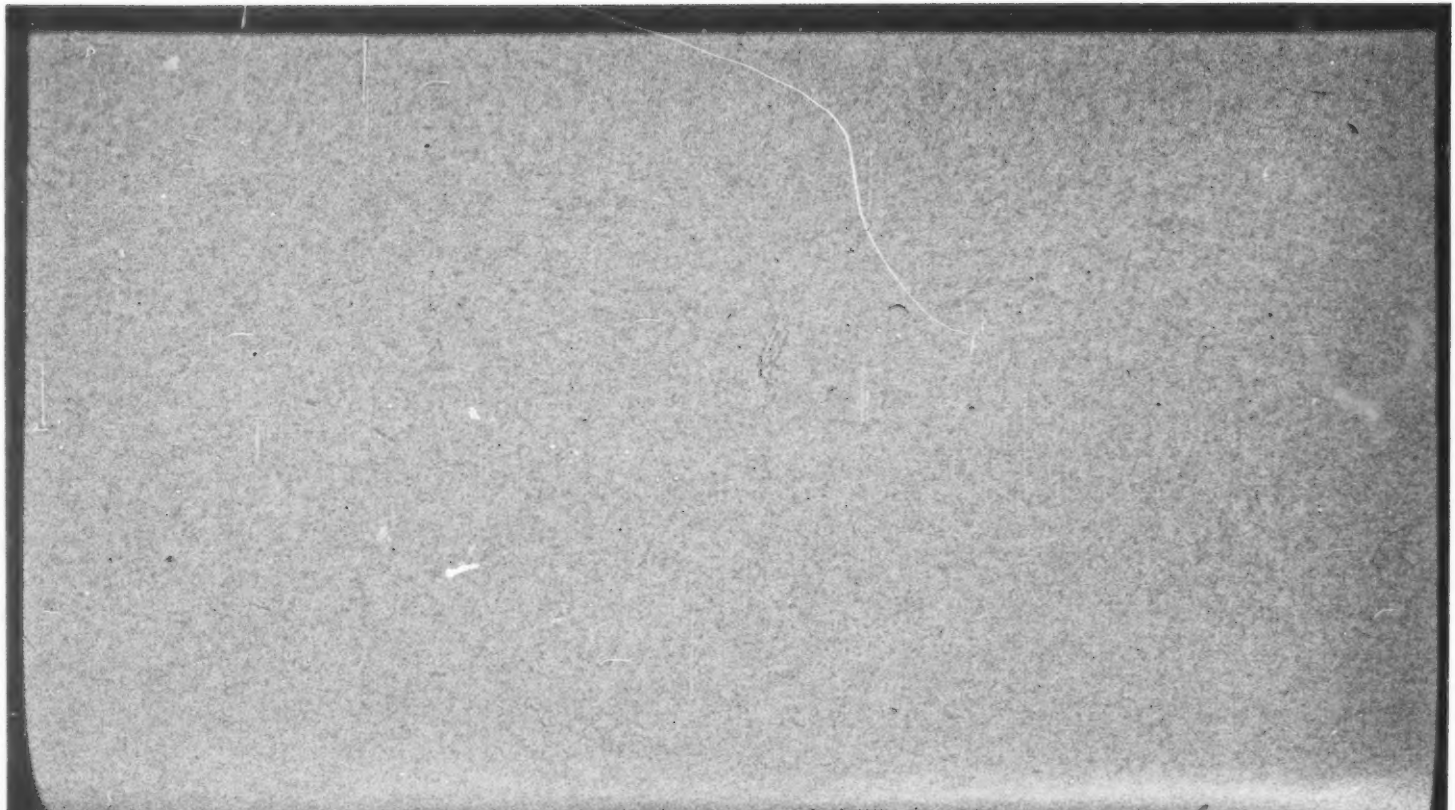
vs.

EASTERN PAPER BAG COMPANY,
RESPONDENT.

No. 202.

Brief and Argument for The Continental Company.

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BY
ALBERT H. WALKER.



PREFACE.

In my oral argument in the Supreme Court case of Root *v.* Railway Company, in 1881 (105 U. S., 189) I stated that, in my judgment, based on a thorough acquaintance with every reported patent decision theretofore rendered by the Supreme Court, the decision of that case would be more important to the patent laws of the United States, than any predecessor. My judgment on that point was apparently approved by Justice MATTHEWS who wrote the opinion of the Court deciding that case; for that opinion was longer and more elaborate than any patent law predecessor, except that in Mitchell *v.* Tilghman, which had been written by Justice CLIFFORD in 1873, but which was obsolete in 1881. My judgment on that point has also stood the test of time, for no patent decision reported prior to Root *v.* Railway Co., has been so potent or so influential as it, during the twenty-six years since it was rendered. And no decision of any patent case, has been rendered since Root *v.* Railway Co., which has proved to be so important to the patent law, as that decision has always been.

I cannot foresee whether the decision of this case will prove to be still more important than that in Root *v.* Railway Co., but I am sure it will be, if all of the questions of law which are argued in the following brief, come to be decided by the Supreme Court.

ALBERT H. WALKER.

Park Row Building,
Manhattan, New York.
March, 1908.

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SUPREME COURT OF THE UNITED STATES,

OCTOBER TERM 1907, No. 202.

CONTINENTAL PAPER BAG COMPANY,
Petitioner,

vs.

EASTERN PAPER BAG COMPANY,
Respondent.

Statement of the Case.

This action in equity originated in the Circuit Court of the United States for the District of Maine, in 1901. The Bill of Complaint was filed by the Eastern Paper Bag Company, against the Continental Paper Bag Company, and was based on alleged infringement of letters patent of the United States, No. 558,969, granted April 28, 1896, to the Eastern Paper Bag Company, as assignee of William Liddell, on an alleged improvement in paper bag machinery. The defenses which were interposed by the defendant's answer, were non-jurisdiction of a court of equity, over the case, and non-infringement of the Liddell patent by the defendant, and want of invention, in that patent in view of the prior art. But the defense of want of invention in view of the prior art is not urged

in the Supreme Court, because it depends upon mechanical comparisons which are too numerous and too complicated to be conveniently made by all the members of a court composed of nine justices; and also because, though the prior art approached rather closely to the Liddell patent, that patent perhaps covers a margin of differentiation sufficient, though barely sufficient, to constitute invention.

All the defendant's defenses were overruled by Judge Putnam, holding the Circuit Court for the District of Maine; though his decision affirming equity jurisdiction was only *pro forma*. And all those defenses were also overruled on appeal, by the Circuit Court of Appeals for the First Circuit; though one of the three judges of that court filed an elaborate dissenting opinion, in which he held that the defense of non-jurisdiction of equity ought to be sustained.

The first question involved in this case, as now presented to the Supreme Court, is properly formulated as follows:

"Does equity have jurisdiction of a bill of complaint which is based on alleged infringement of letters patent, the invention covered by which has long and always and unreasonably been held in non-use, by all the owners of the patent, instead of being made beneficial to the art to which it belongs."

The second question in this case is the question of infringement; but the decision of that question does not depend upon any issue of fact, but does depend, as questions of infringement sometimes do, upon a point of law. That point of law has been formulated by Justice Day as follows:

"Where the patent does not embody a primary invention, but only an improvement on the prior art, and defendant's machines can be differentiated, the charge of infringement is not sustained."

Inasmuch as that point of the law of infringement has heretofore been formulated, announced and applied by the Supreme Court in other cases, and inasmuch as the Circuit Court of Appeals and also the Circuit Court declined to apply that point of law to the question of infringement in this case, though it is clearly applicable thereto; the following brief will also discuss, as incidental to the issue of infringement, the following question of law:

"Are the decisions of the Supreme Court of the United States, on questions of law, binding on the inferior Federal Courts in other cases, or are they only advisory therein."

Specification of Errors.

First.—The Circuit Court of Appeals for the First Circuit, erred in holding that the complainant is entitled to an injunction against the defendant, and that therefore the Circuit Court for the District of Maine, had jurisdiction of the bill of complaint in equity.

Second.—The Circuit Court of Appeals for the First Circuit, erred in adjudging that the defendant has infringed claims 1, 2, and 7 of the Liddell letters patent No. 558,969 of April 28, 1896, and in not adjudging that the defendant has not infringed said letters patent.

Third.—The Circuit Court of Appeals for the First Circuit, erred in affirming the decree of the Circuit Court for the District of Maine, which decree erred in not dismissing the bill of complaint for want of jurisdiction in equity, and also erred in not dismissing the bill of complaint for non-infringement by the defendant, of the said Liddell letters patent No. 558,969 of April 28, 1896.

BRIEF OF THE ARGUMENT.

Chapter I.

Non-Jurisdiction of Equity.

Section 1.

THE CONSTITUTION AND THE STATUTES.

The Constitution of the United States provides that "Congress shall have power to promote the progress of science and useful arts by securing, for limited times, to authors and inventors the exclusive right to their respective writings and discoveries", Article I Section 8. The word "discoveries" in this clause has the same signification as the word "inventions" would have in that place; In re Kemper, 1 McArthur's Patent Cases, 4, 1841; Haffcke *v.* Clark, 46 F. R. 772, 1891. The first formulation of this constitutional provision, which was presented to the Constitutional Convention was presented by Charles Pinckney, who there used the word "inventions" to convey this signification. That formulation, being referred to a committee of eleven, of which David Brearley was chairman, was changed by that committee to the extent of substituting the word "discoveries" for the word "inventions", but that change was not understood by the Constitutional Convention in 1787, and has never been held by the courts, to constitute a change of scope or signification.

The express object of this constitutional provision relevant to discoveries or inventions, was to promote the progress of useful arts. Any inventor who makes an invention, and obtains letters patent of the United States

for seventeen years thereon, and thereupon promptly introduces that invention into the practice of the art to which it belongs, thereby promptly promotes the progress of that art. But any inventor who makes an invention, and obtains letters patent for seventeen years thereon, and thereupon holds that invention in non-use throughout that seventeen years, does not, at any time during those seventeen years, promote the progress of the art to which that invention belongs. Such promotion of an art, if any, as does result in such a case, from the making of an invention and the obtaining of a patent, never begins until after the expiration of the seventeen years of the term of that patent.

The public policy upon which the granting of every patent by the United States is based by the Constitution, requires that the resulting progress of a useful art shall begin promptly after an invention is made and a patent is granted thereon; and that public policy is always extensively resisted, and sometimes entirely defeated, if the beginning of the resulting progress in the useful arts is postponed for seventeen years after the patent is granted. Such resistance occurs whenever the invention of a patent is held in non-use by the owner of the patent throughout the seventeen years of its life, if that patent is used during that time, to prevent everybody else from making, using or selling any invention which embodies or includes the invention of the patent. And such a defeat of any promotion, by such a patent, of the art to which its invention belongs, results in such a case, if the art outruns that invention before the end of the seventeen years covered by the patent, so that the invention, being obsolete, is no longer able to promote any progress.

For these reasons, I take the ground that the owner of any patent who, beginning with the granting of that patent, long and always and unreasonably holds in non-

use the invention covered thereby, is not equitably entitled to a writ of injunction to enable him to prevent others from introducing that invention into use in the art to which it belongs, and thus causing it to promote the progress of that art.

I do not take the ground that non-use of an invention by the owner of the patent which covers it, disentitles him to recover damages by means of actions at law from those who infringe his patent; for such actions at law cannot be used to prevent the promotion of the progress of any useful art, but only to secure proper compensation for the use of that invention in the art to which it belongs. And I do not take the ground that the non-use by the owner of a patent, of the invention covered thereby, disentitles him to maintain an action in equity for an injunction to restrain infringements of that patent, in any case where the non-use of the invention by the owner of the patent resulted from his lack of means to put it into use, or from his lack of ability or opportunity to induce others to put it into use; for in any of those cases, the non-introduction of the invention into the art to which it belongs, and the resulting lack of promotion of the progress of that art, is non-chargeable to the owner of the patent. And I do not take the ground that any short or occasional non-use by the owner of a patent of the invention covered thereby, will disentitle him to an action in equity, and to a writ of injunction, to prevent others from using his invention against his will and against his interests; for such short or such occasional non-use may be due to want of present means or to want of present opportunity, or may otherwise be unavoidable under the circumstances of a particular case, and may not materially diminish the promotion which the invention covered by the patent, really renders to the progress of the art to which it belongs.

But I do take the ground that the owner of a patent, who long and always and unreasonably withholds the invention covered thereby, from making any contribution to the progress of the art to which it belongs, is chargeable with such inequitable conduct, as must disentitle him to the assistance of a court of equity, in any efforts to prevent others from causing that invention to promote the progress of that art.

And I support this position with the following facts, arguments and illustrations.

The Patent Act of 1790, was the first statute which was made in pursuance of the constitutional power of Congress to promote the progress of useful arts by securing for limited times to inventors the exclusive right to their respective inventions. 1 Statutes at Large, 109. That statute was entitled "An Act to Promote the Progress of Useful Arts." It provided that patentees whose patents should be infringed, should thereafter be entitled to bring actions at law for such damages as should be assessed by juries. But that Act did not provide that any court should have jurisdiction in equity to prevent or to stop any infringement of any patent.

The Patent Act of 1793, (1 Statutes at Large 318) repealed the Patent Act of 1790, and provided a more elaborate system of law in its place. But the Act of 1793, did not confer any jurisdiction in equity upon any court to issue any injunction in any patent case, or to take jurisdiction of any patent case, on any ground whatever.

The Patent Act of 1794 (1 Statutes at Large 393) and the Patent Act of 1800 (2 Statutes at Large 37), which were the third and fourth enactments of Congress in pursuance of its constitutional power to promote the progress of useful arts, also refrained from conferring any jurisdiction upon any court, to entertain any action in equity for any infringement of any patent.

The fifth United States patent act was not passed and approved until nearly twenty-nine years after the first patent act was approved. That fifth patent act was the Act of 1819 (3 Statutes at Large, 481). Its purpose was to confer upon the Circuit Courts of the United States, jurisdiction in equity, of actions for infringements of patents. But it did not confer authority upon any court, when sitting in equity, to do anything except "according to the course and principles of courts of equity."

The next statute which dealt with equity jurisdiction in patent cases, was the Patent Act of 1836 (5 Statutes at Large, 117). Section 17 of that statute treated the subject of equity jurisdiction, by the use of the same words that were used in the statute of 1819, to the effect that equity jurisdiction was to be exercised "according to the course and principles of courts of equity".

The next statute which dealt with equity jurisdiction in patent cases was the Consolidated Patent Act of 1870 (16 Statutes at Large, 198). Section 55 of that Act followed the Act of 1836, and the Act of 1819, in providing that the equity jurisdiction of the United States Courts in patent cases should be exercised "according to the course and principles of courts of equity."

The next and the last statute of the United States on this subject, is Section 4921 of the Revised Statutes of the United States. That enactment has never been changed since its approval June 22, 1874; and it agrees with the Patent Act of 1870, and with the Patent Act of 1836, and with the Patent Act of 1819, in providing that the jurisdiction of equity for infringement of patents, shall be exercised "according to the course and principles of courts of equity".

Section 2.

The Supreme Court Decision.

The Supreme Court, more than a quarter of a century ago, devoted a very elaborate decision to the construction of the statutory law which was always embodied in the ten words quoted at the end of the last paragraph. Root *v.* Railway Company, 105 U. S., 189, 1882. In that case, I took the ground, as counsel for Root, that in cases for the enforcement of the rights of patentees, resort may be had, as a matter of right, to a court of equity, as a distinct head of its jurisdiction, for the purpose of establishing an infringement and ascertaining and recovering the profits of an infringer, upon the independent equity that he is for that purpose a trustee of his gains, for the use of the owner of the patent, and liable to account as such (105 U. S., 190, last paragraph). But the Supreme Court decided that jurisdiction in equity in patent cases was never based and could not stand on that ground. In support of that decision, Justice Matthews wrote a very elaborate opinion, in which he undertook to settle the question of equity jurisdiction in patent cases upon a basis of principle, in harmony with general equity jurisprudence, and in harmony with all relevant legislation (105 U. S., 191, second paragraph). Near the end of that opinion, he inserted a paragraph which was formulated by him with great care, to state the complete conclusion of the court, and which paragraph was as follows:

"Our conclusion is, that a bill in equity for a naked account of profits and damages against an infringer of a patent cannot be sustained; that such relief ordinarily is incidental to some other equity, the rights to enforce which secures to the patentee his standing in court; that the most general ground for equitable interposition is, to insure to the patentee the enjoyment of his specific

right by injunction against a continuance of the infringement; but, that grounds of equitable relief may arise, other than by way of injunction, as where the title of the complainant is equitable merely, or equitable interposition is necessary on account of the impediments which prevent a resort to remedies purely legal; and such an equity may arise out of, and inhere in, the nature of the account itself, springing from special and peculiar circumstances which disable the patentee from a recovery at law altogether, or render his remedy in a legal tribunal difficult, inadequate, and incomplete; and as such cases cannot be defined more exactly, each must rest upon its own particular circumstances, as furnishing a clear and satisfactory ground of exception from the general rule" (105 U. S., 215, last paragraph).

None of the exceptional grounds for equity jurisdiction, which are included in the statement of Justice Matthews, are present, or can be claimed to be present, in the case now at bar; and therefore that jurisdiction is absent, unless it can be based on what Justice Matthews defined as a "specific right to an injunction, against a continuance of the infringement."

No lawyer or author has even spoken or written more extensively or more earnestly than myself, in favor of broad jurisdiction of equity over actions for infringements of patents; but there never was a time when I would have asked any court to base jurisdiction in equity of such a case as the one now at bar, on any supposed "specific right to an injunction," because there never was a time, when I would have believed that any such right existed in any such case. For it is undeniable that the bill of complaint in the case at bar is based on alleged infringement of letters patent, the invention covered by which has long and always and unreasonably been held in non-use, by the owners of the patent, instead of being made beneficial to the art to which it belongs.

Section 3.

THE NON-USE IN THIS CASE.

The length of the complainant's non-use of its patented invention was nearly twelve years, from the granting of the patent in April, 1896, until now. The constancy of that non-use, consists in the proved and admitted fact that the owner of the patent, never manufactured but one machine in claimed or presumed accordance therewith, and never used that one machine, except experimentally a few times, for the purposes of this litigation. Record, Vol. II, p. 1890, last paragraph, p. 1927, last paragraph, and p. 1931, third paragraph.

The unreasonability of non-use is as clear as the element of length of non-use, but it may perhaps be disputed by the counsel for the respondent. But any denial of the existence of the element of unreasonability, must be based upon a particular construction of the facts, rather than upon the facts themselves; because the facts themselves are proved and are undenied and are undeniable. Thus while counsel for the petitioner takes the ground that the non-use was unreasonable, counsel for the respondent may possibly take the ground that the non-use was reasonable, while those counsel base their opposite conclusions upon the same state of facts. But on this issue between counsel for the petitioner and counsel for the respondent, all the judges for the Circuit Court of Appeals, agreed with the counsel for the petitioner. This statement is proved, in respect of Judges Lowell and Colt, by the following sentence in the opinion of the majority of the Circuit Court of Appeals, namely: "No reason for the non-user appears in the evidence, so far as we can discover." Record, Vol. II, p. 1927, last line. And Judge Aldrich in his dissenting opinion said that the patent in suit had been "deliberately held in non-use for a wrongful purpose." Record, Vol. II, p. 1928, paragraph 5 from bottom.

What was that wrongful purpose? It was the purpose to make more money with the existing old reciprocating Lorenz & Honiss machines and the existing old complicated Stilwell machines, than could be made with new Liddell machines, when the cost of building the latter was taken into account. And this purpose was effective to cause the long and invariable non-use of the Liddell invention, notwithstanding that new Liddell machines might have produced better paper bags than the old Lorenz & Honiss machines or the old Stilwell machines were producing.

Though the Liddell patent has always been nominally the property, of the Eastern Paper Bag Company, nearly all the capital stock of that corporation has always, since the nineteenth century, been the property of the Union Bag and Paper Company. Record, Vol. II, p. 1340, Qs. 11-15. And the latter corporation is practically the complainant in this case. Ibid., p. 1342, Q. 24.

The Union Bag and Paper Company, has for many years been making thousands of millions of the same kind of paper bags, that the Liddell machine is adapted to make, and which are designated in the record as self opening square paper bags. The machines with which the Union Bag and Paper Company has made those self opening square paper bags are the Lorenz & Honiss machines and the Stilwell machines.

The Lorenz & Honiss machines are about one hundred in number, and many of them were built in 1886, and the others within a few years thereafter. They were constructed under the Lorenz & Honiss patents 331,722 of December 1, 1885, and 361,951 of April 26, 1887; and when Lorenz testified about them in this case, in 1903, they were still being used by the Union Bag and Paper Company, and had already been used so many years that sixty of them had made about ten thousand millions of such paper bags. Record, Vol. II, p. 1079, Qs. 18-21.

The Stilwell machines were constructed under the Stilwell patents 407,794, of July 30, 1889, and 417,346 of December 17, 1889. The witness Lorenz saw seventy-five or more of them still running in the Union Bag & Paper Co. factory, in 1900, and again in 1902. Record, Vol. II, p. 1084, Qs. 37-38. And it is an indisputable fact that many more than a hundred of those old Stilwell machines have been operated for many years by the Union Bag & Paper Company; and that most of them have been running making many millions of self opening square paper bags, every year since 1890.

The old Lorenz & Honiss machines and the old Stilwell machines were good machines when they were new, about twenty years ago. At least they were the best which then existed, or could be built till better ones could be invented. But they were much behind the position to which the art had advanced at the end of the nineteenth century. Moreover, during many years past, they must have declined in their work, from constant operation. Their parts from long wear must have lost original accurate adjustment; and the thousands of millions of bags which they have made during the last twelve years, were hardly equal to what the product of new Liddell machines would have been. That inferiority was not such as to make the bags unsalable, in the absence of a sufficient number of perfect bags to supply the demand, but it was presumably such as to diminish the value of the bags to their users, without diminishing their selling prices.

The case was like that of the somewhat old and worn horse cars, which are still imposed on the public in some streets in the City of New York, many years after the art of passenger transportation on the surfaces of streets, has advanced to large and comfortable cars propelled by electro-magnetism and lighted by electricity. The wealthy

corporations who own and run those old horse cars, have always refrained, for many years, from substituting new electric systems for them, simply because they can make more money at five cents a passenger with the old cars than they could with any electric system, the cost of constructing the latter being taken into account. The fact that the public would be much better provided for with new electro-magnetic cars, than with the old horse cars, is neglected in the company's calculations.

In like manner, the Union Bag & Paper Company has always refrained, during many years from building new Liddell paper bag machines to take the places of its old and worn Lorenz & Honiss machines, and its old and worn Stilwell machines, simply because that company could make more money, at the obtainable prices for paper bags, with those old machines, than it could make with new Liddell machines, the cost of constructing the latter being taken into account. In like manner, also, the fact that the public would be better provided for, with the product of new Liddell machines, than with the product of old Lorenz & Honiss machines or old Stillwell machines, was neglected in the calculations of the company.

Now this chapter of my argument is properly based on the hypothesis that the machines of the Continental Paper Bag Company do infringe the Liddell patent, though the second chapter of my brief will disprove that hypothesis. But, assuming that hypothesis to be proved, the resulting case is that of one corporation asking a court of equity to prevent another corporation from using new machines and thereby furnishing to the public better paper bags for the money than the first corporation is supplying with its old machines. And this request is founded on the idea that the first corporation owns a patent on the new machines which would enable it also to furnish better paper bags to the public than formerly, but which it re-

fuses to use, because it can make more money on inferior bags, and which it refuses to allow any other party to use, lest its sales of inferior bags should be diminished by the resulting competition. Such a request may be according to the course and principles of some business corporations; but the granting of such a request would not be "according to the course and principles of courts of equity." At least I think not.

Section 4.

Fourteen First Magnitude Inventions.

But to make doubly, and even more than doubly, sure, let us see what decisions would logically result in some other cases, from the precedent which would be set by the affirmance of a right to an injunction in this case.

Such a precedent would establish a point of "case law" heretofore unknown to the patent laws of the United States, and that point of case law would be accurately definable by the following formula:

"According to the course and principles of courts of equity" injunctions may be issued to postpone for seventeen years, or any less number of years, the practical progress of any useful art; whenever the owner of a valid unexpired patent, on an invention which happens to be necessary to that progress, requires that result.

One fair way to test the question of the justice of this proposed addition to equity jurisprudence, consists in inquiring how it would have worked, if it had existed and been applied to concrete cases in the past. And the following are some examples of what would have been its operation:

Those inventions of the nineteenth century which were of the first magnitude in point of importance, were the

following: The railroad locomotive, which originated in 1804; the electro-magnet, which originated in 1825; photography, which originated in 1827; the telegraph, which originated in 1831; the grass and grain cutting machine, which originated in 1831; the electric motor, which originated in 1834; vulcanized rubber, which originated in 1839; the sewing machine, which originated in 1845; the dynamo, which originated in 1855; the writing machine, which originated in 1869; the telephone, which originated in 1876; the incandescent electric light, which originated in 1879; the electro-magnetic railroad, which originated in 1879; the Hertzian wave wireless telegraph, which originated in 1895. Seven of these fourteen first magnitude inventions were made in the United States. These were the grass and grain cutting machine, the telegraph, vulcanized rubber, the sewing machine, the writing machine, the telephone, and the incandescent electric light.

The millions of grass and grain cutting machines which revolutionized haying and harvesting throughout the civilized world during the last seventy-seven years, were all alike in one respect, and only one. That respect consists in the combination of a reciprocating sickle, having spear shaped cutters projecting forward from one side thereof, and a non-reciprocating bar, having spear shaped teeth projecting forward under or above, or under and above, the spear shaped teeth of the reciprocating cutter. That combination of two parts, comprises and always has comprised the essential element of every successful grass and grain cutting machine. The first inventor of that combination was William Manning, of Plainfield, New Jersey. And letters patent of the United States were granted to him on that invention May 3, 1831. That patent contained only one claim, and that claim was infringed by every successful grain and grass cutting

machine which was made in the United States prior to its expiration in 1845. But Manning held his invention in non-use throughout the fourteen years which his patent covered; while Cyrus H. McCormick in Virginia, and Obed Hussey in Ohio were both doing their utmost to promote the progress of the art of grass and grain cutting by means of their machines, all of which contained the invention of Manning, and many of which were made and sold by McCormick and Hussey throughout nearly all of the years of the life of Manning's patent. Hussey's first patent was granted December 31, 1833, and McCormick's first patent was granted June 21, 1834, those inventors having made their inventions after 1831, without any knowledge of each other, and without any knowledge of Manning.

Now, if that rule of equity jurisprudence which would be established by a decision of this case in favor of the complainant, had existed during the fourteen years of the Manning patent, the owner of that patent could have required the United States Circuit Courts in Virginia and in Ohio, to compel McCormick and Hussey to refrain from making and selling their grain and grass cutting machines for twelve years after they began doing so, and until after the expiration of the Manning patent in 1845; though Manning himself was holding his invention in non-use throughout all those years. But the thought does not appear to have occurred to Manning that his accidental priority to the independent inventors McCormick and Hussey, entitled him to an injunction to prevent them from conferring upon mankind the great historic labor-saving machine, which he himself, for some reason, was unable or unwilling to put into use.

The first inventor of the electro-magnetic telegraph was Professor Joseph Henry, whose statue stands, and deserves to stand, among the sixteen statues of great

historic characters which face each other around the gallery of the octagonal reading room of the Congressional Library. The problem which was involved in inventing the telegraph, consisted in introducing an electro-magnet into an electric circuit, and in making and breaking the current in that circuit, and thus alternately attracting and releasing any piece of iron or steel adjacent to the core of the electro-magnet. To enable him to solve this problem, Henry produced an electric circuit by means of a voltaic battery, and he made a proper electro-magnet by improving and strengthening the original electro-magnet which had been invented by Sturgeon in England in 1825. Thereupon he interposed his electro-magnet in that circuit, and did make and break the current in that circuit, and did thus alternately attract and release a piece or iron or steel adjacent to the core of the magnet. That piece of iron or steel thus moved, at a distance from the operator, was attached to a bell, so that Henry, at one end of the circuit could ring, and did ring, that bell at the other end of the circuit, and thus conveyed signals to whoever was there present to hear the sound of the bell. Professor Henry never applied for any patent upon his telegraphic invention, preferring to freely confer upon mankind the right to make and use that invention, together with the right to make and use his excellent electro-magnet.

Professor Morse first turned his attention to the production of a telegraph in 1832, but he did not produce any commercially useful result until 1844. He did obtain several letters patent of the United States upon some telegraph apparatus which he invented, but no part of that apparatus was well adapted for use in the art of telegraphy, and none of it has been used anywhere in the world at any time since the first half of the nineteenth

century. He did not invent either the key or the sounder of the commercial telegraph of the last sixty years. Indeed he originated nothing now used in telegraphy, except possibly the conventional combinations of dots and dashes, which he used to represent the twenty-six letters of the alphabet and the ten Arabic numerals; and it is far from certain that he himself invented that code or any code of dots and dashes. Those claims of the Morse patent which were sustained in the Supreme Court in the case of O'Reilly *vs.* Morse in 1853, were destitute of importance to the art of telegraphy even then, and it does not appear that a single one of those claims has ever since been used by anybody.

But Professor Henry was entitled in 1831 to a patent containing a claim which would be infringed by every electro-magnetic telegraph which has ever yet been made in the United States, provided that telegraph had been used before that patent expired. But if such a patent had been granted to Professor Henry in 1831, he presumably would not himself have introduced the invention into public use, preferring like Faraday to leave such labor to others, while he continued to pursue his scientific investigations and studies. It is inconceivable that he would ever, in any event, have asked any court of equity to issue an injunction to prevent others from promoting the progress of the art of telegraphy by means of his invention, while holding it in non-use himself, but he would have had a right to do so, if that principle of equity jurisprudence had existed, which the Supreme Court now is asked to set up, and apply to this case, but against the establishment of which I am contending.

The sewing machine, which originated in 1845, was invented by Elias Howe, Jr., and letters patent No. 4,750 were granted to him on that invention September 10, 1846.

All the sewing machines which have revolutionized the art of sewing throughout the civilized world, are like the machine of the Howe patent in one respect, and only one. That respect consists in the combination of a needle with a thread-carrying eye near its point, and mechanism for thrusting the point and the adjacent part of the body of the needle far enough through the material being sewed, to carry the thread to the opposite side of that material, and then withdrawing the needle back again, leaving the thread on the other side, and also some device, such as a shuttle, to cause the thread to be permanently retained on the side to which it was first thrust, by the reciprocating eye-pointed needle. The Howe sewing machine as a whole, was a crude contrivance, because its mechanism for moving the eye pointed needle, and for moving the cloth, and otherwise working the machine, was unsuitable for those purposes.

After Howe came Singer in 1851, with a much improved mechanism for working the reciprocating needle; and after Singer came Wilson in 1854, with his greatly improved and excellent mechanism for moving the cloth. And Singer and Wilson and other inventors substituted greatly improved mechanisms for Howe's shuttle apparatus, so that the sewing machines of the last fifty years have nearly or all of them been free from any mechanism shown in the Howe patent of 1846, except only the reciprocating eye pointed needle of Howe. Nevertheless, if that rule of equity jurisprudence, against which I am contending, had been in existnce from September 10, 1846, to September 10, 1860, the owner of the Howe patent would have had power to prevent the people of the United States from getting any benefit whatever, during that long time, from the invention of Singer or from the invention of Wilson, or from any other invention in sewing machines which was made prior to the expiration of the

Howe patent; for none of those inventions could have been used except in connection with the eye pointed needle of Howe. Thus the patent laws of the United States would have said to the people of the United States, "You shall not, without the consent of Elias Howe, Jr., have any sewing machine until fourteen years after September 10, 1846, no matter how many or what far superior sewing machines to that of Howe may be invented in the meantime by independent inventors, who would gladly make them and sell them to you."

The first telephone patent was No. 174,465, and was granted to Alexander G. Bell March 7, 1876, upon an application filed February 14, 1876. On the same day that Bell filed that application, Elisha Gray filed a caveat for a patent on a telephone; and substantially the same generic invention as that of Bell was set forth in that caveat more completely than it was set forth in the application of Bell. But Bell rather than Gray was entitled to the basic patent upon the invention, because, though their papers were filed in the patent office on the same day, Bell's production of the invention was a few weeks earlier than its production by Gray. But the Bell telephone was never efficient enough to be used, except for short distances, and it was Thomas A. Edison and not Alexander G. Bell, who invented the long distance transmitter which is now in universal use. Nevertheless, the Bell patent was rightly held to be valid by the Supreme Court in 1888, and was infringed by every telephone in the United States, until its expiration in 1893. If the rule of equity jurisprudence, for which my opponents are contending in this case, had existed during the seventeen years of the Bell patent, it would have been possible for the owner of that patent to prevent the people of the United States from using any telephone that could convey articulate speech as far as a quarter of a mile, at any

time during those seventeen years; though Edison, at about the beginning of the second of those seventeen years, had invented a telephone, which was capable of transmitting articulate speech for a thousand miles, and was actually used for transmission of speech for many hundreds of miles, long before the Bell patent expired. The owners of the Bell patent did, at one time, endeavor to use that patent, on the short distance Bell telephone, as a basis for a request to the courts to suppress all use of the Edison long distance telephone. But that endeavor was soon relinquished, and the Edison long distance telephone was permitted to be used, upon the payment of a reasonable compensation to the owners of the Bell patent, throughout the last thirteen or more years of the term of that patent.

The foregoing statements relevant to the grass and grain cutting machine, the telegraph, the sewing machine and the telephone, are enough examples to show how contrary to the "course and principles of courts of equity," would have been the operation of the rule against which I am contending, if such a rule in equity jurisprudence had existed at the time of the basic patents which were granted, or which might have been granted, on those four great inventions respectively.

Section 5.

Independent Contemporaneousness.

Still another reason why injunctions should not be issued, on behalf of patents held in non-use, against alleged infringers of those patents, resides in the fact that the alleged infringers are often acting under independently made inventions of their own, which were so nearly contemporaneous in time of origin, with the inventions of the patents in suit, that it is difficult and sometimes impossible to ascertain which of them is entitled to priority in the art to which they belong.

Indeed in the case at bar, the origin of the invention described and claimed in the Liddell patent was so nearly contemporaneous with the invention by Edward E. Claussen of the defendant's machine, that Judge Putnam, in the Circuit Court, did not find more than ten days' difference between them. He decided that the Liddell invention cannot be carried further back than January 7, 1896 (Record, Vol. II, p. 1916, last paragraph). And he said that the Claussen invention cannot find a date earlier than January 17, 1896, even if so early as that (Record, Vol II, p. 1917, lines 1-4). The next few pages of Judge Putnam's opinion show that he did not seriously doubt that Claussen's invention is entitled to date back to January 17, 1896, though he found the exact date of its origin to be immaterial, because he found the Liddell invention to date back ten days prior to January 17, 1896.

On this point I will mention in passing that the printed copy of Judge Putnam's opinion contains one error, where, in quoting the testimony of Claussen in one place, he used the date July 17, 1896 (Record, Vol II, p. 1918, line 34). For, on turning to the record of that testimony itself, in Claussen's deposition, the date mentioned by Claussen will be found to be January 17, 1896 (Record, Vol. II, p. 992, line 1). This error exists in Judge Putnam's original signed and filed opinion, and was not introduced into the record by any clerk or any printer. But the opinion shows that Judge Putnam intended to write January 17, 1896, in that place, and supposed that he had done so, though he did happen to write down July instead of January.

If I could sit down at a large table with any one of the Justices of the Supreme Court, with the depositions and all the exhibits before us, which relate to the respective dates of origin of the Liddell invention and the Claussen invention, and I could thereupon use the many

hours which would be needed for the purpose, in fully explaining to his Honor all the numerous drawings, models, papers and depositions which refer to that subject, I could doubtless convince him that the Claussen invention dates back at least two months earlier than the origin of the Liddell invention. But inasmuch as that method of making the facts known is impracticable even with one Judge, and nine times more impracticable with nine Judges, and inasmuch as Judge Putnam decided that issue of fact against my contention, and inasmuch as the Circuit Court of Appeals affirmed Judge Putnam's conclusion on that issue, I have no alternative but to bow to that particular conclusion, without asking the Supreme Court to review and reverse it.

I hope, however, to be pardoned for saying that I have always been personally and thoroughly acquainted with every drawing, model, paper and deposition which relates to the issue of priority between Liddell and Claussen, and that till Judge Putnam said otherwise, I surely thought that the Claussen invention originated at least two months prior to the Liddell invention.

Nevertheless, my present argument is based on the hypothesis that Judge Putnam learned the relevant facts more thoroughly and more accurately than I ever knew them, and that he was right in holding that the Liddell invention originated ten days before the origin of the invention of Claussen. And on that hypothesis I will now set forth the histories of the two inventions, through the first nine years after their nearly contemporaneous origins, as those histories are established by uncontradicted evidence in the record.

The history of the development of the Claussen invention was as follows: from January 17, 1896, till February, 1905, when this case was argued before Judge Putnam.

On January 17, 1896, Claussen completed, signed and dated a large colored drawing which was witnessed in writing on its face by Des Jardins on that day.

That original colored drawing was put in evidence in this case as Claussen Exhibit No. 3, but it was not reproduced for the bound volumes of the Record, though it was shown to the Circuit Court and the Circuit Court of Appeals, at the hearings in those tribunals. Mr. Claussen testified that that large colored drawing of January 17, 1896, shows the same combination of a rotating conveyer and oscillating carrier, as that of the Claussen patent No. 598,497 (Record, Vol. II, p. 991, Q. 190-195).

About February 1, 1896, Mr. Claussen began making the drawings for the application No. 600,861, in pursuance of which the Claussen patent No. 598,497 was afterward granted. The eight sheets of drawings of that application were all personally made by Mr. Claussen, and the specification of that application was personally written by him, within the next six months (Record, Vol. II, p. 994, Q. 208-212). During that time, the Liddell patent No. 558,969 was granted on April 28, 1896, and Mr. Claussen first saw a copy of that patent on or about May 1, 1896 (Record, Vol. II, p. 995, Q. 213). After looking the Liddell patent over and comparing it with his own drawings, he concluded that he had a far better machine than was represented in the Liddell patent, and he proceeded to finish the drawings which he had begun about the first of February, and to prepare the specification to go with those drawings; but he was not influenced in any way by the Liddell patent in finishing up those drawings, and he never had seen Mr. Liddell, or had any correspondence with him in any way, shape or form, at the time he gave his testimony in this case in December, 1902 (Record, Vol. II, p. 995, Q. 213 to 216).

Mr. Claussen's application being thus completed by him in July, 1896, and filed July 29, 1896, as No. 600,861; the first Patent Office action on that application was taken August 31, 1896; Record, Vol. II, p. 1411, lines 5 and 6. Thereupon the applicant amended his application, and the next Patent Office action thereon occurred November 7, 1896; Record, Vol. II, p. 1411, lines 17 and 18.

The next event in the history of the application consisted in submitting it with five other sets of application papers, in December, 1896, to me for my opinion upon them all, and that opinion was completed and signed by me on December 24, 1896; Record, Vol. II, pp. 1407-1428.

The subsequent history of the application, prior to the granting of the patent on Feb. 8, 1898, is not shown in the record. But it is proved in the record that during that period of thirteen months Mr. Claussen made the working drawings and built the Spencer machine in accordance with the Patent Office drawings of his application 600,861; Record, Vol. II, p. 998, Q. 229 to Q. 234. Thereupon the enterprise was suspended while Mr. Claussen waited for Mr. Spencer and his associates to decide whether to carry it forward, or to forfeit their contract, and that decision was not settled until January, 1898, when the Spencer contract was forfeited and the trustee conveyed the prospective patent to Mr. Claussen by the assignment of January 12, 1898; Record, Vol. II, p. 1458. During the rest of the year 1898 Mr. Claussen owned the patent 598,497, and owned the Spencer machine which he had built in 1897 in accordance with the invention of that patent. But he was an inventor and engineer and was not a capitalist; and was unable during that year to build more machines under that patent. Early in 1899, however, he made a contract with Herman Elsas, which contract afterwards resulted in the assign-

ment of all the Claussen patents, including No. 598,497, to the Continental Paper Bag Co. on June 6, 1899; Record, Vol. II, p. 1348, Q. 11 and 12, and p. 1460.

In pursuance of the contract with Mr. Elsas, and the assignment to the Continental Paper Bag Co., Mr. Claussen made a new set of construction drawings, and had a second machine built under the Claussen patent 598,497 at the Garvin Machine Works, New York City. When that machine was completed, it was set to Elkhart, Indiana, where twenty-seven more machines like it were built and sent to the factory of the Continental Paper Bag Co. in Rumford Falls, Maine. In the meantime, four other sets of construction drawings were completed, and many more machines were built according to those drawings, so that in June, 1902, about fifty-eight machines made according to the Claussen patent 598,497 were in operation in that Rumford Falls factory; Record, Vol. II, p. 1000, Q. 240 to 241.

When Mr. Elsas gave his deposition in this case in February, 1903, fifty-nine paper bag machines in accordance with the Claussen patent 598,497, had been constructed and used for and by the Continental Paper Bag Co., and that company had contracted for one hundred and two more machines of the same kind; Record, Vol. II, p. 1348, Q. 13 to 15.

The total cost of those one hundred and sixty-one paper bag machines was more than $362,000. Record, Vol. II, p. 1352, Q. 26 to 28. After Mr. Elsas gave his deposition, and before the decision of Judge Putnam was made, the last of those machines was completed, and put into operation.

The history of the development of the Liddell invention was as follows: from January 7, 1896, until this case was argued before Judge Putnam, in February, 1905, and indeed until now in March, 1908.

January 7, 1896, is the date found by the Circuit Court of Appeals for the origin of Liddell invention. That finding is based in the Record upon the testimony of Rudolph M. Hunter, which is to the effect that William Liddell made that invention in his presence and in his office in Philadelphia, on the afternoon of January 7, 1896. And it is an undisputed point in the case, that Mr. Liddell never did anything toward developing that invention, or reducing it to practice, at any time after that day.

On February 6, 1896, Rudolph M. Hunter, as attorney in fact for Mr. Liddell, the alleged inventor, filed an application No. 578,291, for a patent, which application was afterward allowed, and which patent was issued April 28, 1896, as No. 558,969, and is the patent upon which this suit is based.

Nobody ever did anything toward developing the Liddell invention any further, or toward building a machine under the Liddell patent, except in 1903, when William A. Lorenz, a mechanical engineer of great ability, built the one so called Liddell machine, which is referred to in the decision of the Circuit Court of Appeals in this case. Record, Vol. II, p. 1927, last paragraph. But that machine has never been used, except experimentally, for the purposes of this litigation.

Thus it is undeniable that the origin of the Liddell invention and the origin of the defendants' machine were quite independent, and were so nearly contemporaneous that Judge Putnam found only ten days' difference between the dates of those origins. And it also is clearly proved by trustworthy and uncontradicted testimony and other evidence that the Claussen invention and patent, and the defendants' machines and business would have been developed precisely as they were, if the Liddell invention had never been made, and the Liddell patent never been applied for and never been granted, and indeed if Liddell himself had never been born.

Under these circumstances, I take the ground that it was up to the owner of the Liddell patent either to put the Liddell invention into regular manufacturing use, or to license others to do so for a reasonable royalty, and that having always omitted to do either from April, 1896, until this action was brought more than five years later, and indeed until now, nearly seven years later yet, the owner of that patent is ethically limited to actions at law for its alleged infringement, and is not entitled "according to the course and principles of courts of equity" to an injunction with which to stop and paralyze those hundred and sixty-one great and costly machines of the defendant, which have been independently and diligently invented, built and operated during twelve long years, beginning not later than ten days after the origin of the Liddell invention, and continuing without any laches until now. To enforce an injunction in this case, under these circumstances, would be to punish the diligent and reward the sleeping; and that, too, where the business so diligently done by one and totally neglected by the other, was the business of promoting, for the public benefit, the progress of a useful art; and that, too, where the two parties were ethically bound to promote that progress, in consideration of the letters patent which they had respectively asked and received from the official representatives of that public.

Section 6.

Patent Laws of Foreign Countries.

Yet another reason why no injunction should be issued in this country, in favor of any patent, which, like the Liddell patent at bar, was always held in non-use by its owner, during the first five years after its date, and the

last five years before the date of the bill of complaint thereon, resides in the fact that the patent laws of nearly every foreign country refuse any such assistance in favor of any patent held in non-use, in those countries respectively, as long as five years from the date of its issuance. For this reason the establishment of equity jurisdiction in the case at bar would give to foreign citizens and inventors advantages in our own country which the laws of their countries deny to citizens and inventors of the United States. This consideration was among those upon which the Supreme Court based its decision of the musical copyright cases in February, 1908, and it is even more applicable to this case than it was to those. For, in those cases, the foreign countries were only ten in number, which denied the advantages to our citizens and musical composers, which the complainant asked the Supreme Court to extend to musical authors of those countries, as well as to other musical composers. While in this case, the foreign countries are more than twenty in number, which deny to our citizens and inventors the advantages which the complainant in this case is asking the Supreme Court to extend to the citizens and inventors of those countries as well as to all other inventors whatever.

Those more than twenty countries include Austria, Argentina, Brazil, Canada, Colombia, Denmark, France, Germany, Gautemala, Hungary, Italy, Japan, Luxenbourg, New Zealand, Norway, Peru, Portugal, Russia, Spain, Sweden, Switzerland, Turkey and Venezuela.

And Great Britain, in 1902, enacted a statute providing for compulsory licenses under all unworked British patents, and in 1907 enacted another statute providing an effective plan by which non-use of any British patent, for four years after its date, and for one year after the passage of that statute, could be invoked by any person, as an effective reason for the revocation of that patent by the Comptroller of the British Patent Office.

Australia has followed Great Britain in enacting a compulsory license law for all unworked Australian patents; under which law, if it existed in the United States, the defendant in the case at bar could always have averted an injunction and the jurisdiction of equity.

The only foreign countries, so far as I know, in which anything like an injunction can ever be obtained, in support of a patent, which was held in non-use by its owner for the first five years of its life, are Belgium, Ceylon, Chili, Egypt, Greece, India, Liberia, Mexico, Uruguay. And it is only in exceptional cases that anything like an injunction can be obtained in Belgium, Chili, Greece, Liberia, Mexico, or Uruguay on a patent held in non-use by its owner for the first five years of its life. Ceylon, India, and Egypt are the only countries whose patent laws would be harmonious with those of the United States on this subject, if the jurisdiction of equity were to be established by the Supreme Court in this case. But reciprocity between the United States and Egypt, India, and Ceylon on this subject would not balance the non-reciprocity which would result from such a decision between the United States and all the other nations in the world.

Section 7.

The Circuit Court Cases.

Upon the question of the jurisdiction of equity, the judges who heard this case in the Circuit Court of Appeals for the First Circuit were divided in opinion. Judge Aldrich wrote an elaborate opinion in the negative, which occupies pages 1928 to 1943, inclusive, of Volume II of the Record. Judge Lowell wrote only a single paragraph in the affirmative, which paragraph was concurred in by Judge Colt, and is printed on pages 1927 and 1928 of Volume II of the Record; and the whole of which paragraph is as follows:

"The machine of the patent in suit is mechanically operative, as was shown experimentally for the purposes of this suit, but it has not been put into commercial use. No reason for the non-user appears in evidence, so far as we can discover. The defendant's machine has been an assured commercial success for some years. It was suggested at the oral argument that an unused patent is not entitled to the protection given by the extraordinary remedy of an injunction. This contention was not made in the defendant's printed brief. While this question has not been directly passed upon, so far as we are informed, in any considered decision of the Supreme Court, yet the weight of authority is in favor of the complainant. Fuller *v.* Berger, 120 Fed. Rep., 274; Bement *v.* Nat. Harrow Co., 186 U. S., 70, 88, 90; Heaton Peninsular Button Fastener Co. *v.* Eureka Specialty Co., 77 Fed. Rep., 288; Crown Cork Co. *v.* Aluminum Stopper Co., 108 Fed. Rep., 845, 868; Broadnax *v.* Central Stock Yard Co., 4 Fed. Rep., 214, 216; Consol. Roller-Mill Co. *v.* Coombs, 39 Fed. Rep., 803; Campbell Printing Co. *v.* Manhattan Ry. Co., 49 Fed. Rep., 930."

On this first question of law, Judge Putnam inserted in his written opinion, when deciding the case in the Circuit Court for the District of Maine, the following sentences, which are printed on page 1891 of Volume II of the Record:

"The record also shows that the complainant, so to speak, locked up its patent. It has never attempted to make any practical use of it, either itself or through licenses, and, apparently, its proposed policy has been to avoid this. In this respect, it has not the common excuse of a lack of means, as it is unquestioned that the complainant is a powerful and wealthy corporation. We have no doubt that the complainant stands in the common class of manufacturers who accumulate patents merely

for the purpose of protecting their general industries and shutting out competitors. According to the view of the court, as now constituted, there are, and can be, no peculiar rules applicable to bills in equity in causes touching alleged infringements of patents for invention; and such bills are governed by the general rules, except, of course, so far as the statute authorizes an award of damages as well as an account of profits. Applying those general rules, it seems to the court as now constituted, that a case like this at bar exhibits no interest involved, as to which a complainant can suffer legal detriment pending litigation in the courts of common law. Nevertheless, in some way the practice seems to have crystallized otherwise, and the court sees no relief for the respondent in this direction unless, in some way, obtained from the Supreme Court."

I have carefully read and analyzed every reported decision of the Supreme Court relevant to the patent law, which has been decided from the foundation of the Government in the eighteenth century until now; and it is within my knowledge, that this question of jurisdiction of equity, has never been decided by this tribunal.

The fact that the Circuit Court of Appeals for the First Circuit was divided in opinion on this question of law, and the fact that Judge Aldrich appears in his dissenting opinion to be far more earnestly convinced of the correctness of a negative answer, than Judges Lowell and Colt appear in their brief written opinion to incline toward an affirmative answer to the question, and the fact that Judge Putnam, though he formally decided the question in the affirmative, appears in his written opinion, to himself hold the negative view; are quite enough to show that the decision of the majority of the Circuit Court of Appeals upon the question, was not clearly right. And now that showing will be corroborated by a critical explanation of all those seven reported cases

which are cited in the written opinion of the Circuit Court of Appeals, as the only foundation of the affirmative answer which the majority of that court gave the question of the jurisdiction of equity in this case.

Bement v. *National Harrow Co.*, 186 U. S., 70, 1902, raised only one Federal question, and this court in deciding that case, did not purport to decide any other question. It decided that question by holding that the "Act to protect trade and commerce from unlawful monopolies" (which is commonly called the Sherman anti-trust law), does not apply to that kind of restraint of interstate commerce which may result from contracts between patentees, limiting the terms upon which the articles covered by their patents are to be sold, and regu lating the prices to be received therefor.

Mr. Justice Peckham, in his written opinion announcing this decision of the Supreme Court, stated that "An owner of a patent has the right to sell it or to keep it; to manufacture the article himself or to license others to manufacture it; to sell such article himself, or to authorize others to sell it." 186 U. S., 88, 1901, last three lines. But Justice Peckham did not state it to be the opinion of the Supreme Court, nor his own opinion, that the owner of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use, instead of being made beneficial to the art to which it belongs, is entitled to writs of injunction to restrain every body else from using that invention, and thus making it beneficial to that art. Quite otherwise than this, everything written and everything quoted by Justice Peckham, in his written opinion in the case of Bement *v.* National Harrow Co., is consistent with the view expressed by Judge Putnam, and with the view expressed by Judge Aldrich in this case, which view is to the effect that, while

the owner of a paper patent by long, always and unreasonably holding it in non-use, instead of making it beneficial to the art to which it belongs, does not thereby forfeit that patent, he does thereby disentitle himself to writs of injunction for its enforcement, and does thereby confine himself to rights of action at common law for its infringement.

Fuller v. *Berger,* 120 Fed. Rep., 274, 1903, is a decision of a majority of the Circuit Court of Appeals for the Seventh Circuit, as against a powerful and eloquent dissenting opinion of Judge Grosscup. In that case the majority of the Court held that the owner of a patent on an invention which is used or is designed and adapted to be used to accomplish a good result (such as the detection of bogus coins) does not disentitle himself to an injunction, by using that invention as an appendage to a gambling machine.

There was no question of non-use involved in the case of Fuller *v.* Berger. But Judge Baker in writing the opinion of the majority of the court, inserted therein an *obiter dictum* to the effect that "non-use is not a defense in equity." He based that *obiter dictum* upon the third of the eight cases which are now being reviewed, namely:

Heaton Peninsular Button Fastener Co. v. *Eureka Specialty Co.,* 77 Fed. Rep., 288, 1896, was decided by the Circuit Court of Appeals for the Sixth Circuit. It did not involve any question of misuse or non-use of a patented invention, by the owner of the patent; for the owner of the patent was extensively engaged in making and selling the patented machines, which were for fastening buttons to shoes with metalic fasteners. The question which the Court decided, was whether the owner of the patent had a right to attach to each sale of a machine the condition that it should not be used with fasteners

manufactured by any other party. In writing the opinion of the Court, in the affirmative of that question, Judge Lurton said by way of *obiter dictum*, that a patentee is neither bound to use his invention himself nor to permit others to use it. But Judge Lurton did not say or imply that where a patentee long and always and unreasonably has held his invention in non-use, instead of making it beneficial to the art to which it belongs, he is entitled to writs of injunction to prevent everybody else from using that invention; and everything in Judge Lurton's written opinion is consistent with the view that such a patentee is properly relegated to an action at law, whenever he undertakes to maintain his property right in his patent.

Crown Cork & Seal Co. v. *Aluminum Stopper Co.*, 108 Fed. Rep., 845, 1901, was decided by the Circuit Court of Appeals for the Fourth Circuit. In writing the opinion of the Court in that case, Judge Brawley said that "The tenth defense is want of equity jurisdiction in cases of alleged infringement, where the things covered by the patents, have never been made or sold by the patentee." Judge Brawley thereupon based a negation of that defense on the ground that the non-use of the invention by the patentee had not been unreasonable, and the record showed that it had not been long.

That suit was based upon a reissue patent, the original of which was granted May 28, 1895, and which had been reissued July 26, 1898, in pursuance of an application filed December 26, 1895. The suit against the Aluminum Stopper Co. was begun November 12, 1898, and therefore less than four months after the beginning of the monopoly upon which it was based. The Court found that the omission of the patentee to introduce the invention into use while the application for the reissue was pending, was not unreasonable, because the defendant had strenuously endeavored, during that time, to

prevent the granting of the reissue, and which time extended from December, 1895, to July, 1898. And though the Court did not expressly so state, it presumably held that the omission to put the invention into use after the original patent was granted in June, 1895, and before the reissue patent was applied for in December, 1895, was not unreasonable; because the patent at that time did not secure to the patentee any exclusive right to the invention, the claims of the original patent being inoperative for that purpose. And the Court also presumably held that the omission of the patentee to put the invention into use during the three or four months that intervened between the granting of the reissue and the beginning of the suit, was not unreasonable, because the patentee understood that the defendant was extensively infringing the patent, and was resolutely determined to continue to do so, until stopped by a writ of injunction, and was resolutely determined to resist any bill of complaint which might be brought against it for such an injunction, on the ground that the reissue patent was void.

I was counsel for the defendant-appellee in that Aluminum Stopper case. I did not take the ground in that case that the non-use of the invention by the patentee had been either long or unreasonable, for the facts did not furnish any foundation for either of those contentions. I did not even express the opinion that the mere fact that the thing covered by the patent had never been made, used or sold by the patentee, or under its authority, was enough to justify a judicial denial of the jurisdiction of equity. What I did do on that point was to submit that question to the consideration of the Court, in a single paragraph, in which the strongest sentence was the following: "Want of equity jurisdiction, in a case of alleged infringements of patents, where the things

covered by the patents have never been used or sold by the patentees or under their authority (which is confessedly the fact of the case at bar), is a view of equity jurisdiction which has much to sustain it, but upon which the courts do not all agree."

But the Aluminum Stopper case did not present the question whether equity has jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs.

The decision in the Aluminum Stopper case, comes nearer than any other, to constituting a precedent to support the decision of a majority of the Circuit Court of Appeals in this case. But it stops far short of being such a precedent, because it did not involve the element of length of non-use or the element of unreasonability of non-use, both of which are involved in this case at bar.

Broadnax v. *Central Stockyard Co.*, 4 Fed. Rep., 214, 1880, was decided by Judge Nixon, who was then United States District Judge for the District of New Jersey. Judge Nixon decided the case against the patent, on the ground that the defendant had not infringed it. But instead of contenting himself with reaching and announcing that judicial conclusion, he also inserted in his written opinion a statement that the defendant had based some argument in opposition to the complainant's patent on the fact that the complainant had never put his invention into practical use. Judge Nixon overruled this contention by saying, "This is not the law, where the patentee is a citizen of the United States." This statement of the Court is an allusion to the fact that the patent Act of 1832 provided that a certain class of aliens might obtain United States patents, who had theretofore been

excluded from that privilege; but that statute coupled with that provision an enactment that such a patent should be forfeited, in case of failure on the part of the patentee to introduce the invention into public use in the United States within one year from the issuing of the patent, or in case of a discontinuance of such public use for any period of six months. This statute of 1832 was repealed in 1836, and no later statute has ever contained any similar provision; but Judge Nixon's allusion to that old law, indicates that the defendant in the case before him, had contended that the non-use by the complainant of his invention had operated to forfeit his patent. Judge Nixon met this argument not only by a statement that such was not the law where the patentee is a citizen of the United States, but also by a quotation from a decision of Judge Woodruff to the effect that a patentee is not bound by law to practice his invention in order to preserve his patent. Judges Woodruff and Nixon were clearly right in so holding. But it is also clear, that the fact that a patent is not forfeited by non-use of the invention covered thereby, does not show or tend to show that long, uniform and unreasonable non-use does not operate to disentitle the patentee to invoke the jurisdiction of equity, and to relegate him to courts of common law, when suing defendants for alleged infringements.

Consolidated Roller Mill Co. v. *Coombs*, 39 Fed. Rep., 803, 1889. This case was decided by Judge Henry B. Brown when he was district judge for the Eastern District of Michigan. It did not involve the question of whether equity has jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs. So far from holding his invention in

non-use, the complainant derived its sole profit from its patent, by licensing others to use the patented machine, 39 Fed. Rep., 807, line 1. It is very plain that a patentee is not chargeable with non-use of the invention covered by his patent, where he adopts the plan of granting licenses to others to make and use specimens of his invention, any more than where he adopts the plan of making and selling specimens of his invention himself, to be used by those to whom he sells them. Both those plans of enjoying the monopoly of a patent are equally legitimate. Sometimes one and sometimes the other is best adapted to make the invention beneficial to the art to which it belongs, and no patentee who adopts either of those plans is chargeable with non-use of his invention.

Campbell Printing Press Co. v. *Manhattan Ry. Co.*, 49 Fed. Rep., 930, 1892. This case was decided by Judge Lacombe, holding the United States Circuit Court for the Southern District of New York. The patent in suit covered a valve mechanism usuable in air brake couplings and used by the defendant Railway Company on three hundred and twenty-two locomotives. The defendant admitted the validity of the patent and its own infringement thereof, and the complainant's title thereto, but objected to an injunction on the ground that the complainant demanded a license fee for its use, which the defendant thought to be too high, while expressing a willingness to pay for its use of the invention, whatever sum might be assessed against it by a Master in Chancery and approved by the Court. Judge Lacombe stated the defendant's contention to be, that "when a patentee asks a price for the use of his patent, higher than the users wish to pay, and refuses to license his patent except at such a price, it may be confiscated and sold to whoever wants it, at a price to be fixed by the United States Circuit Court." Of

course Judge Lacombe overruled this contention, but in so doing, he did not decide any point having any relevancy to the jurisdictional question involved in this paper bag machine case, because that question relates to long, always and unreasonably holding an invention in non-use, instead of making it beneficial to the art to which it belongs; whereas the complainant in the case before Judge Lacombe instead of holding its invention in non-use, was willing and even anxious that the defendant should use it upon the defendant's locomotives, provided only the defendant would pay the complainant's license fee for such use. Moreover, there is nothing in the written opinion of Judge Lacombe to indicate that the complainant was chargeable with any non-use of its invention, and everything in that opinion is consistent with the hypothesis that the complainant was making and selling specimens of that invention to everybody who would buy them.

The foregoing critical explanation of the seven cases cited by the majority of the Circuit Court of Appeals, as the only support for its decision upon the first question of law involved in this petition and this appeal, shows six of those cases are quite destitute of relevancy to the point upon which they were cited. And while the single case of the Crown Cork and Seal Co. *v.* Aluminum Stopper Co., has some relevancy to that point, that case is distinguishable in two respects from the proposition which it is cited to support, and each of those respects is so important, as to deprive that case of any proper position as a precedent, to support the conclusion of a majority of the Court.

Judge Aldrich in his dissenting opinion reviews all of the seven cases upon which Judges Lowell and Colt based their conclusion, and shows, perhaps even more elaborately than this brief has thus far done, that not one of those cases can furnish any real foundation for that conclusion.

The brief of the complaiant's counsel which was presented to the Circuit Court of Appeals in this case, presumably contained all that the complainant's counsel, Mr. Betts and Mr. Chambers, could say or could cite in support of the jurisdiction of equity in such a case as this. The cases cited in that brief on this point were six in number, including only four of the seven which were afterward cited by the majority of the court on the same point, and including two others which, though thus brought to the attention of the Court, were apparently not thought worth citing by Judges Lowell and Colt. The reasons which caused those judges to discard those two cases, will probably appear from the following explanation of their purport:

Densmore v. *Scofield,* 102 U. S., 375, 1880. The opinion of this Court in this case was written by Mr. Justice Swayne. The only point adjudicated in that decision was that the patent in suit was void for want of invention. Having announced that conclusion, Justice Swayne inserted the statement that "Patents rightfully issued, are property and are surrounded by the same rights and sanctions which attend all other property." That sentence is the only thing in that case which could have led complainants' counsel to cite the case upon the question of the jurisdiction of equity in this case. But the fact that property in patents is surrounded by the same rights and sanctions which surround other property, does not show or tend to show that equity has jurisdiction of a bill of complaint which is based on the alleged infringement of a paper patent, which has long, always and unreasonably been held in non-use, instead of being made beneficial to the art to which it belongs. For, as was explained by Judge Putnam in his written opinion in this case in the Circuit Court for the District of Maine, the general rules applicable to bills in equity relevant to other prop-

erty, do not justify the proposition that equity has jurisdiction of such a case as this. Record, Vol. II, page 1891, line 18 from bottom.

Packard v. *Lacing Stud Co.*, 70 Fed. Rep., 66, 1895. This case was decided by the Circuit Court of Appeals for the First Circuit, and the opinion of the Court was written by Judge Putnam himself. It appears in that written opinion that the appellant contended that the patent in suit was a paper patent which had been bought for the purpose of being laid away until such time as it could be brought forth and used on some unlucky rival. Judge Putnam did not say nor intimate that that defense would not be fatal to the bill. Quite otherwise from so saying or holding, Judge Putnam disposed of the defense by saying that it would not be discussed because it was not supported by any evidence of the fact of non-use. 70 Fed. Rep., 67, last five lines.

Thus far this brief has reviewed and critically explained all of the cases cited by the complainant's counsel in the Circuit Court of Appeals to support the complainant's contention on this first question of law, and also all the cases which were cited by a majority of the judges of that Court in favor of the complainant's contention on that question of law. And in so doing, this brief has shown that not even one of those decisions really supports that conclusion, and that only one of them decides any proposition which even resembles the doctrine which it was cited to sustain.

From the foundation of the national government and the origin of the patent system of the United States in the eighteenth century, until this eighth year of the twentieth century, only two other decisions in patent cases have ever been published, which afford any even colorable support to the decision of the majority of the Circuit Court of Appeals, on this question of jurisdiction of

equity; and neither of those two cases appears to have been known to that court. Those two decisions are the following:

National Automatic Weighing Machine Co. v. *Daab,* 136 Fed. Rep., 891, 1905. The decision in this case was made by Judge Cross, the United States district judge for the District of New Jersey, within two months after his appointment to that office. The suit was based upon the Fairbanks patent, No. 387,285, on an improvement in indicators for weighing apparatus, which was owned by the complainant, the National Automatic Weighing Machine Company, and was to expire three months and two days after the decision of Judge Cross was rendered. The defendant was also engaged in making and selling automatic weighing machines, and was operating under the Magee patent, No. 733,059, of July 7, 1903. The complainant's patent had so short a time to live, that an injunction could not long interfere with the defendant's business. Nevertheless, it appears that the defendant's counsel interposed the non-use of the Fairbanks invention by the complainant as some sort of a defense to the suit, but it does not appear whether that defense was aimed at the prayer for an injunction only, or was aimed at the validity of the patent. If it was aimed at the validity of the patent, it was of course untenable. And if it was aimed at the injunction only, it was also untenable unless the record showed that the non-use of the Fairbanks invention had been long and had been unreasonable. There is, however, an entire absence of any statement or implication to that effect in the report of the case, and therefore that report is destitute of anything to show that Judge Cross decided, or would have decided, the affirmative of this first question, which is now being presented to the Supreme Court.

Moreover he based his decision, not on any argument of his own, but entirely on his erroneous idea that it had been decided in many cases, that non-use of a patented invention was not a defense to an action in equity based on that patent. He supported this statement by citing Fuller *v.* Berger, 120 Fed. Rep., 274, "and authorities there cited." But this brief has already shown that what Fuller *v.* Berger contains on that point was an *obiter dictum* only, and also none of the cases cited in Fuller *v.* Berger really afford any support to that *obiter dictum.* For these reasons, the decision of Judge Cross may be set aside, as being no precedent for the decision of the Circuit Court of Appeals, on this first question of law in this case.

Hoe v. *Miehle Printing Press & Mfg. Co.,* 141 Fed. Rep., 113, 1905. This case was decided by Judge Holt, one of the district judges for the Southern District of New York. In his decision, Judge Holt stated that "The fact that no machine has ever been made and shown to work successfully under a patent, does not prevent the owner of the patent, if it is valid, from restraining an infringement of it." This remark was not occasioned by any contention that the non-use of the invention of the patent in suit, disentitled the complainant to an injunction; and indeed no injunction was granted in the case. Quite otherwise than this, the remark of Judge Holt was occasioned by the contention of the defendant that the patent was void for want of utility, which contention was based upon evidence which tended to show that the only machine which had ever been built in accordance with the patent, was not practically successful. In this situation of the case, it would have been in point for Judge Holt to say that the fact that no machine had ever been made and shown to work successfully under a

patent, did not prove the patent to be void for want of utility; and in so saying, he would have been accurately correct. But when he said that the fact that no machine has ever been made and shown to work successfully under a patent, does not prevent the owner of the patent, if it is valid, from restraining an infringement of it, he inserted an *obiter dictum* in his decision. Moreover, he did not support that *obiter dictum* by any argument, but only by a citation of the case of Bement *v.* National Harrow Co., 186 U. S., 70, and this brief has already shown that that case did not adjudicate any such proposition as that, nor even state any such proposition by way of *obiter dictum.* For these reasons, Judge Holt's decision may also be set aside as irrelevant to the pending question of law, which question is as follows:

"Does equity have jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long, always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs."

The affirmative of this question of law has never been adjudicated by any United States Court, from the foundation of the Federal government until now, except in the unwilling decision of Judge Putnam in the Circuit Court for the District of Maine, and except in the really unsupported decision of a majority of the Circuit Court of Appeals for the First Circuit, in the present case.

The negative of this question of law is much more strongly supported by specific precedents and other citations, than the affirmative; and some of those negative precedents and citations are here brought to the attention of the Court:

Isaacs *v.* Cooper, 4 Wash. C. C., 259, Justice Washington.
Ogle *v.* Ege, 4 Wash. C. C., 584, Justice Washington.
Mott *v.* Bennett, 2 Fisher, 642, Justice Wayne.
Sullivan *v.* Redfield, 1 Paine, 441, Justice Thompson.
Magic Ruffle Co. *v.* Douglas, 2 Fisher, 333, Judge Shipman.
Hoe *v.* Knap, 27 Fed. Rep., 212, Judge Blodgett.
Germain *v.* Wilgus, 67 Fed. Rep., 600, C. C. A., Ninth Circuit.
Campbell Printing Press Co. *v.* Duplex Printing Press Co., 86 Fed. Rep., 331, Judge Swan.
Robinson on Patents, Vol. I, Sec. 43, pages 65-66.
Curtis on Patents, First Edition and Second Edition, Sec. 320; and Third Edition and Fourth Edition, Sec. 406.

Curtis on Patents, was the standard Text Book of the Patent Laws of the United States, for thirty-four years from 1849 to 1883. Its author, unlike the author of Robinson on Patents, was a practitioner of the patent law, as well as a text writer. The first edition of his Text Book was published in 1849, the second in 1854, the third in 1867, and the fourth in 1873. All of these editions treated this subject alike and stated the law to be that a bill for an injunction in a patent case, must state that "the plaintiff, after the issuing of the patent, put his invention into use."

Mr. Betts, the complainants counsel, himself appears to hold the professional opinion that Curtis was always right on this point of law, for he inserted in the bill of complaint in this very case, a paragraph which was entirely devoted to stating "That after the issuing of said Letters Patent, the said inventions and discoveries were put into use by your orator." Record, Vol. I, p. 3, para-

graph 4. And this statement was apparently thought to be so necessary to the suit, that the president of the complainant corporation, signed and swore to an oath that it was true of his own knowledge, and appended that oath to the bill. Record, Vol. 1, p. 6. But when the evidence came to be taken in the case, no proof of the statement was made; and complainant's counsel admitted in their briefs and in their oral arguments in the Circuit Court and in the Circuit Court of Appeals, that the complainant at the time of the filing of the bill of complaint, had never put into use any invention of the patent in suit. And all the judges of both courts found that invariable non-use to be a fact. The one machine which was shown to the Court was not built till the second year after the bill was filed, and even it has never been put into commercial use.

Walker on Patents, has never, in any of its four editions, attended to the question whether equity has jurisdiction of a bill of complaint based on alleged infringement of a paper patent, which has always been held in non-use; because I always thought that question to be too momentous for treatment in a text-book, prior to any adequate treatment thereof by any Federal judge; and because there never was any adequate judicial treatment of the question, except in the dissenting opinion of Judge Aldrich in this case, which opinion is two years later than the last edition of Walker on Patents.

But counsel for the respondent are very well acquainted with Walker on Patents, and are expected to cite in their brief in this case, the first paragraph of Sec. 154 of that book, as stating a view at variance with the present argument of the author. That paragraph is exactly like what is said on the subject to which it refers in the third and the second edition, and substantially like what is said on the subject in the first. The paragraph is as follows:

"A patent right is an absolute, and not a qualified right. During the term of his patent, a patentee may, if he pleases, decline to allow any other person to make, use, or sell the invention which it covers, and at the same time may refrain from making, using, and selling his invention himself." When that statement was published in the first edition, there was but one authority cited to support it, but nine others were decided after that time and prior to the publication of the fourth edition in 1904. The third of these is Good *v.* Deland, 121 N. Y., 8, 1890, the opinion in which was written by Judge Peckham, then one of the judges of the Court of Appeals of New York, but now one of the justices of the Supreme Court of the United States. The sixth of the nine accumulated cases is Edison Electric Light Co. *v.* Mt. Morris Electric Light Co., 57 Fed. Rep., 644, 1893, the opinion in which was written by Judge Lacombe for the Circuit Court of Appeals for the Second Circuit. In that case Judge Lacombe said that: "Although the owner of a patent may not, thus, without assent on his part, be deprived of his monopoly, he may, of course so conduct himself, as to be no longer entitled to the aid of a court of equity in maintaining it." If that sentence had been inserted immediately after the first paragraph of Section 154 of Walker on Patents it would have shown to everybody that the preceding statement does not involve or imply either the affirmative or the negative view of the question whether long constant and unreasonable non-use of his patented invention, by the owner of a patent *is* such conduct as disentitles him to the aid of a court of equity in maintaining it.

A decision of that question by this court is a necessary companion of the great decision of a quarter of a century ago in Root *v.* Railway Co., 105 U. S., 189, 1882, which decision settled the great question whether equity

jurisdiction in patent cases is based on the doctrine of constructive trusts, or is based on the doctrine of injunctions. In that case, the opinion of the court contains the following words:

"An examination of the practice and opinions of the Circuit Courts, undoubtedly shows much diversity, and makes it necessary by a deliberate judgment of this court, to remove the question out of uncertainty, by a settlement upon some basis of principle in harmony with our system of equity jurisprudence."

Those words are as true now, of the question of jurisdiction in this case, as they were of the question of jurisdiction in the Root case twenty-six years ago. The decision in the Root case has been a great judicial landmark ever since it was rendered, and has been cited and obeyed hundreds of times by the judges of the lower Federal Courts. The decision of the question of jurisdiction of equity in this case will likewise be a great judicial landmark, and will remain so for many generations of lawyers and of judges.

Section 8.

EXPEDIENCY, ECONOMY AND EXPEDITION.

This defense of want of jurisdiction in equity, was expressly interposed in the defendant's original answer in this case in the following paragraph:

"The defendant says on information, advice and belief, that a court of equity has no jurisdiction to grant any prayer of the bill of complaint; even if the said Liddell patent, No. 558,969, were valid; and even if the defendant's paper bag machines were to be held to infringe that patent; because the said patent, No. 558,969, is a mere

paper proposition which the complainant has never put into effect or use; and because it is contrary to equity to suppress a useful and established business, like that which the defendant is prosecuting with its paper bag machines, at the request of a complainant which simply owns one paper bag machine patent that has never been employed by that complainant in any way in any paper bag machinery; and because the complainant in this case has a plain, adequate and complete remedy at law for any infringement which may have been done upon said Liddell letters patent, No. 558,969."

Non-jurisdiction of equity was also the heading of one of the divisions of the defendant's brief in the Circuit Court, and was supported by an earnest oral argument in that tribunal. It was also supported by an oral argument in the Circuit Court of Appeals; and the foundation upon which it is based was stated in that portion of the defendant's brief in the Circuit Court of Appeals, which is quoted in the dissenting opinion of Judge Aldrich. Record, Vol. II, page 1931.

Thus it appears that the complainant-respondent has been prosecuting this case nearly seven years, and ever since the defendant's answer was filed, with express and repeated notice of the defense of non-jurisdiction of equity. Moreover, the complainant's counsel well knew when beginning the suit, that Judge Putnam, the presiding judge in the Circuit Court in which the suit was brought, had already substantially committed himself to the opinion that equity has no jurisdiction of such a suit; for Mr. Frederic H. Betts, the senior counsel for the complainant, the Eastern Paper Bag Company, and Mr. Francis T. Chambers, his associate, were both counsel in the case of the New York Paper-Bag Mach. & Mfg. Co. *v.* Hollingsworth & Whitney Co., 56 Fed. Rep., 225, 1893, in which Judge Putnam filed a concurring written opinion, of which the following is a copy:

"If the Record in this case is to be opened, I agree with the conclusions of the majority of the Court, but as the patentees have never made any use of their alleged invention, nor attempted to do so, nor permitted its use by others, nor given an explanation of the non-user, or any reason for it, I doubt whether the case submitted is not one of a mere legal right, and whether the complainant should not be left to its remedy at common law, if entitled to any relief at all."

The reporter of the Hollingsworth & Whitney case, inserted before his copy of the opinion of the court, a parenthetical clause to the effect that I was counsel for the appellant in that case. But that insertion was an error, because I had voluntarily and entirely disconnected myself with that case some months before it was argued in the Circuit Court of Appeals, and I never took any ground in that case, or any other case, which is inconsistent with any position I ever took or am taking in this case.

Thus it appears that if the Supreme Court shall decide that the Circuit Court must be directed to dismiss the bill for want of equity jurisdiction, the complainant can never contend that it did not have abundant warning of that result, ever since the defendant's answer was filed. And the complainant's counsel can never contend that they did not have abundant warning of that result, ever since Judge Putnam wrote and filed his concurring opinion in 1893, in the case of the New York Paper-Bag Mach. & Mfg. Co. *v.* Hollingsworth & Whitney Co., 56 Fed. Rep., 225.

The practical inexpediency of litigating such a controversy as this in an action in equity, instead of in an action at common law, is indicated by the following facts and considerations:

A careful estimate of the money which has been expended in this suit during the seventy-seven months which have passed since it was begun, has resulted in a conclusion that that money has amounted to at least $90,000. If the decree of the Circuit Court of appeals is to be affirmed, the defendant will thereafter have no means by which to stop a long process of litigation in the future, which process will consist in taking elaborate evidence before the already appointed Master in Chancery *pro hac vice;* and in his draft report; and in exceptions to his draft report; and in his final report; and in exceptions to his final report; and in bringing on that final report for argument, on those exceptions, before the Circuit Court; and in reaching and formulating the decision of that court, on those exceptions; and in an appeal to the Circuit Court of Appeals, from whatever decree is rendered in the Circuit Court in pursuance of the Master's report; and in arguing that appeal in that tribunal; and in a decision of that appeal by that tribunal; and in a petition to this court for a writ of certiorari to bring the whole Record thus swollen, into this tribunal for review.

No one who is adequately acquainted with the history of such proceedings in other cases, can reasonably estimate at less than six years, the time occupied by that course of proceedings, which must intervene between an affirmance of the decree in this case, and the application for a writ of certiorari which would surely be made at the end of those proceedings, and no such person can reasonably estimate the expense of that litigation at less than $60,000. As a precedent for this estimate it may be properly mentioned that the accounting on the Cawood patent, was pending in the Circuit Court for the Northern District of Illinois, and in this court, for nearly twenty years after the interlocutory decree, finding validity and

infringement, was made in the Circuit Court; and that Mr. Betts, one of respondents' counsel in this case, was counsel in the Brickill case, in which the accounting occupied twenty-one years without going further than from an interlocutory decree of the Circuit Court for the Southern District of New York, to a decision of the Circuit Court of Appeals for the Second Circuit, setting aside all that had been done during those twenty-one years on the ground that it had proceeded on a wrong theory. 112 Fed. Rep., 65, 1901.

If the complainant in this case had brought an action at common law, instead of an action in equity, for alleged infringement for its non-used paper patent, the question of the validity of that patent, and the question of the infringement of the defendant's machines, and the question of money recovery, could all have been tried and adjudicated within a year. If that adjudication had resulted in favor of the plaintiff, the defendant would probably have discontinued its alleged infringement in order to avoid further actions at law,and would have long ago paid whatever judgment might have been awarded against it for infringement already committed. The whole litigation need not have cost the parties more than $10,000, instead of the $90,000 which this action in equity has already cost.

This difference between the practical operation of an action in equity and an action at common law, in such a controversy as this, illustrates the wisdom of the seventh amendment to the Constitution of the United States, which sought to preserve the right of trial by jury in those civil cases, which meritoriously involve nothing but questions of amounts of money recoveries; and illustrates also the wisdom of the sixteenth section of the Judiciary Act of 1789, which provided and still provides that "Suits in equity shall not be sustained in either of the courts of the United States in any case where a plain, adequate and complete remedy may be had at law" (R. S., 723).

An enormous amount of money and energy has already been expended in this action in equity. It was a serious misfortune to the complainant that one or both of the other judges of the Circuit Court of Appeals for the First Circuit did not agree with Judge Aldrich in holding that the suit ought to be dismissed for non-jurisdiction of equity over the controversy. For in that event, the complainant would presumably have abandoned further prosecution of the suit, and brought an action at law, as it should have done in the first instance, if it was going to bring any action. But now the best fortune that the complainant can get would result from a decision of the Supreme Court to reverse the decree of the Circuit Court of Appeals, so as to end this action in equity in 1908.

The petitioner-defendant would also be benefited thereby, because the reversal of the decree of the Circuit Court of Appeals would put a permanent period to a chancery suit, which has already lasted nearly seven years, and which, unless stopped by the Supreme Court, must apparently continue to last for many years to come.

Chapter II.

Non-infringement.

Section 1.

INTRODUCTORY EXPLANATION.

The differences between the complainant's patent and the defendant's machines, are so numerous and so important, that a conclusion of non-infringement of that patent by those machines, would logically result from the application to the facts, of any existing rule of the law of infringement in patent cases, or of any recognized doctrine of equivalents, however broad. But the argument of this chapter, will be conducted by first comparing the Liddell patent, upon which the suit is based, with the prior art; and then by showing what rule of infringement the prior art permits that patent to invoke; and then by comparing the defendant's machines with that patent by means of that rule of infringement.

The complainant's brief on this division of the case, will probably ignore the first and second parts of this process of investigation; and will probably not attempt to present to the court any argument on the question of infringement, except what it deduces from a comparison of the defendant's machines with the complainant's patent, without due regard to the prior art. But if there were no prior art proved in the record, or if the prior art which is proved in the record were properly to be ignored in deciding the question of infringement, the proper analysis and exposition of that question, would be very different from what they will be, whenever that prior art is taken into account. Such an analysis and exposition, made without any regard to the prior art, must comprise

a merely academic study of mechanical similarities and differences; and the prosecution of such a study by the court, would comprise only a judicial investigation of a moot question. It being manifestly improper for counsel to present to the court any merely academic investigation, or any merely moot question; it will not be expected of me to analyze or to explain any question of infringement in this brief, otherwise than in accordance with the particular rule of law which is applicable thereto, nor to ask the court to say or even to consider what decision it would render on the question of infringement, if the Liddell patent had not been preceded by any proved prior art, or if the prior art which is proved in the record, could lawfully be ignored.

The Liddell patent upon which the suit is based can most conveniently be examined where it is inserted at pages 468 to 476 inclusive, of Vol. III of the record; though another copy of it is inserted in the record at pages 113 to 119 of Vol. I. But that copy, being a much reduced photo-lithographic copy of the official Patent Office copy in Vol. III, can hardly be read without a magnifying glass, and therefore the references to the Liddell patent in this brief will all refer to it as it appears in Vol. III.

The Liddell patent has eight claims, but only three of them are alleged to have been infringed by the defendant. Those are claims 1, 2 and 7; and they are all substantially alike. On this point Judge Putnam said in his written opinion in the Circuit Court: "In line with the frankness with which the court has been dealt with, the defendant stated at the hearing, that these three claims are so near alike, that the question of infringement is the same in respect of all of them"; and Judge Putnam therefore properly confined his analysis and explanation of that question to the first claim, which he correctly quoted as follows:

"1. In a paper bag machine, the combination of a rotating cylinder provided with one or more pairs of side-folding fingers adapted to be moved toward or from each other, a forming-plate also provided with side-forming fingers adapted to be moved toward or from each other, means for operating said fingers at definite times during the formative action upon the bag tube, operating means for the forming plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder, the whole operating for the purpose of opening and forming the bottom of the bag-tube, and means to move the bag-tube with the cylinder.

The machinery which is defined in this claim, is designated in this brief by the name of the Liddell machine; for though it does not include all the machinery which is shown and described in the Liddell patent, it does include that division of that machinery which is involved in this case.

The function of the Liddell machine consists in transforming the forward end of a tucked paper tube, like that of Fig. 5 of the Liddell patent, through the intermediate forms of Fig. 6 and Fig. 7 to the form shown in Fig. 8 of that patent, which latter form is always called the diamond form on account of the six-sided outlines which appear in Fig. 8, to bound the paper which is above the fingers, H, H, and G, G, and which is below the grippers c and E'. That particular transformation of the paper of the forward end of a tucked paper tube, is only one of several transactions which are necessary to the manufacture of such a paper bag, as that to which the Liddell machine purports to contribute that particular transaction; and which bags are designated in the trade, and in this case, as self-opening square paper bags.

A paper bag machine, to be complete enough to draw into itself at one end, a continuous roll or sheet of flat paper, and to deliver at the other end a succession of self-opening square paper bags, must comprise three grand divisions; the first grand division including mechanism for forming a continuous pasted tucked paper tube; the second grand division including mechanism for opening out one end of such tucked paper tube, and folding it down into the diamond form; and the third grand division including mechanism for folding and pasting the diamond form into the complete square bottom of the bag (Record, Vol. II, p. 1130, Q. 14). The Liddell machine is one specimen of such a second grand division, but it does not contain any such first or third grand division (Record, Vol. II, p. 1131, Q. 17).

Section 2.

The Prior Art.

Nineteen patents preceded the Liddell patent in showing such a second grand division. Those nineteen are all the patents in Vol. III of the Record, except the first two and last four, and except also the Crowell patent, which is No. 19 of the 26 patents contained in that volume and specified in its index. Those nineteen patents, together with the Liddell patent and the later Claussen patent, No. 598,497, and the still later Claussen & Mortsen patent, No. 635,090, were all specified by the Continental expert, Wilbur M. Stone, where he stated which of them contain all three grand divisions of a self-opening square paper bag machine, and which of them contain only the second and third of those grand divisions and which of them contain only the second of those grand divisions (Record, Vol. II, p. 1130, Qs. 15 to 17).

The first machine which manufactured self-opening square paper bags was taken by Felix W. Leinbach, of Bethlehem, Pennsylvania, from Bethlehem to Hartford, Connecticut, in 1883, and that machine manufactured such bags at the rate of about sixty per minute in that year (Record, Vol. II, p. 1077, Qs. 13 to 15). That Leinbach machine conformed in some respects to the Leinbach, Wolle & Brunner patent, No. 242,661, of June 7, 1881, and it corresponded in nearly all respects to the Leinbach, Wolle & Brunner patent, No. 327,280, of Sept. 29, 1885 (Record, Vol. II, p. 1078, Q. 14). Those two Leinbach, Wolle & Brunner patents constitute pages 28 to 58, inclusive of Vol. III of the Record. Figures 5, 6 and 7 of the drawings of the Leinbach, Wolle & Brunner patent, 242,661 show the forward end of a tucked paper tube being transformed into a diamond form identical with the diamond form of Fig. 8 of the Liddell patent; but the instrumentalities shown in that Leinbach, Wolle & Brunner patent for accomplishing that transaction are different from the instrumentalities which are shown in the Liddell patent for accomplishing the same transformation.

The second machine for manufacturing self-opening square paper bags was invented by William A. Lorenz and William H. Honiss, and is shown in the Lorenz & Honiss patent, No. 331,722 of Dec. 1, 1885 (Record, Vol. II, p. 1079, Q. 16, and Vol. III, pp. 60 to 84). That first Lorenz & Honiss machine was complete and in running order in the spring of 1884. It manufactured self-opening square paper bags at the rate of 120 per minute; and it would frequently run for an hour or more at a time, without making an imperfect bag (Record, Vol. II, p. 1077, Qs. 13 to 17).

The third machine which was made, and which was run to manufacture self-opening square paper bags in

large numbers was built by Lorenz & Honiss in conformity to the Lorenz & Honiss patent, No. 361,951, of April 26, 1887; except that the mechanism for producing tucked paper tubing, was adapted to the machine of that patent from the earlier Lorenz & Honiss patent, No. 331,722 (Record, Vol. II, p. 1079, Q. 18). The Lorenz & Honiss patent 361,951 is contained on pp. 132 to 169 inclusive of Vol. III, of the Record. That second Lorenz & Honiss machine ran at about 130 to 140 bags per minute; and after it was completed, Lorenz & Honiss made a complete set of working drawings from which numerous machines of that kind could be manufactured. Those drawings were completed and a set of fifteen such machines were built and running by the latter part of 1886. During 1886 and 1887 Lorenz & Honiss made further working drawings for such machines, for making a complete line of nineteen different sizes of self-opening square paper bags; and during 1886, 1887 and 1888 about sixty of those machines were built (Record, Vol. II, p. 1077, Q. 13). Most of those sixty machines were installed in Brooklyn, New York, and a number of them were installed in Plantsville, Connecticut, while a few of them were installed in Toronto, Canada; and all of them were run in manufacturing self-opening square paper bags, continuously for many years, and were thus running when Mr. Lorenz last saw them not long before he gave his deposition in 1903. Mr. Lorenz estimated the number of self-opening square paper bags which had then been manufactured on those sixty machines, to be about ten thousand millions (Record, Vol. II, p. 1080, Qs. 19 and 20). In addition to those sixty Lorenz & Honiss machines, forty or fifty other machines of the same kind were built and run prior to 1903 (Record, Vol. II, p. 1080, Q. 21).

The Stilwell patents, No. 407,794 of July 30, 1889, and No. 417,346 of December 17, 1889 (Record, Vol. III, pp.

190 to 243 and pp. 290 to 309), represent the Stilwell machines for manufacturing self-opening square paper bags substantially like those to the manufacture of which the Liddell machine purports to contribute, and substantially like those which were manufactured by the Lorenz & Honiss machines, and also, substantially like those manufactured by the defendant's machines.

The only difference between any of these self-opening square paper bags, consists in differences of width of the approximately rectangular flap which constitutes the middle area of the outside of the bottom of such a bag. But these differences in width are quite immaterial to all the issues of this case, and the self-opening square paper bags of the Lorenz & Honiss machines, and of the Stilwell machines, and of the defendant's machines are all substantially alike.

The Stilwell machines were introduced into use in large numbers, about the time the Stilwell patents were granted in 1889, and Mr. Lorenz saw many of them as late as the years 1900 and 1902 running at a high rate of speed, even faster than the Lorenz & Honiss machines. (Record, Vol. II, p. 1084, Qs. 37 to 39.)

No machine was ever built under the Liddell patent, prior to the beginning of this suit; and no machine claimed to be an infringement of the Liddell patent has ever yet been built by anybody, except that the defendant's self-opening square paper bag machines are claimed in this suit to be such an infringement. When Mr. Stone gave his theoretical expert testimony upon the characteristics of the Liddell patent in January, 1903, no machine had ever existed anywhere which conformed to the mechanism described and delineated in that patent. That patent at that time was nearly seven years old, but it still remained what it had always been, a paper proposition, and nothing more.

Quite otherwise than this, many of the earlier nineteen patents for a machine for doing the same work had been reduced to successful practice. I have already explained that one such machine had been built under the Leinbach, Wolle & Brunner patents No. 242,661, and No. 327,280; and that another such machine had been built under the Lorenz & Honiss patent No. 331,722; and that about a hundred such machines had been built under the Lorenz & Honiss patent No. 361,951; and that a very large number of such machines had been built under the Stilwell patents No. 407,794 and 417,346. I now point out that one such machine was built many years ago under the Lorenz & Honiss patent No. 333,647 (Record, Vol. II, p. 1081, Q. 22); and that afterward, in the winter of 1889 and 1890, one such machine was built under the Lorenz & Honiss patent No. 337,965 (Record, Vol. II, p. 1082, Qs. 29 to 32); and that one such machine was built as early as 1900, according to the Appel patent No. 387,573 (Record, Vol. II, p. 1084, Qs. 35 and 36), and that one or more such machines were built as early as 1901, in resemblance to the Murchie patent No. 540,556 (Record, Vol. II, p. 1085, Qs. 40 and 41).

Thus it appears in the evidence, and it is an undoubted and undisputed fact, that the Liddell patent is No. 20, in the particular part to which it belongs, of the art of paper bag machines; and that it was preceded by nineteen different patents for machines for doing precisely the same work which its mechanism purports to do; and that many of those prior patents were reduced to actual practice by construction and operation of paper bag machines made in accordance therewith; and that among them, the machines of Lorenz & Honiss, and the machines of Stilwell, were built and were operated in large numbers for many years before the Liddell patent was granted or even applied for.

No other patent has ever been litigated, adjudicated and reported in the United States, wherein the patent in suit was preceded by even half as many patents for means for doing the same work, as the nineteen patents which preceded the Liddell patent for doing precisely the same work which the Liddell patent purports to show how to accomplish. So far from being entitled to such a broad construction as it would be entitled to, if it stood at the head instead of at the foot of the first twenty patents which show mechanism for doing its particular work; the Liddell patent is not entitled to even a secondary position in the art to which it belongs.

The prior art not only contains nineteen patents on machines, each of which was identical in *function* with the Liddell machine; but the machine shown in one of those patents, approached so nearly to the *structure* of the Liddell machine, that claim 1 of the Liddell patent requires only one noun to be changed to another noun in four places, and, one participle to be changed to another participle in two places, in order to make that claim conform exactly in *structure* to that machine.

That prior patent is the Lorenz & Honiss patent No. 337,966 of March 16, 1886, which was ten years old when the Liddell patent was granted, and a copy of which is on pages 120 to 129 of Vol. III of the record.

When the following paragraph is read without the italicised words "reciprocating" and "carriage" it is a verbatim copy of claim 1 of the Liddell patent. But when that paragraph is read with those italicised words substituted for the two words "revolving" and "cylinder", in Roman letters with which they are respectively bracketted, that paragraph conforms exactly in *structure*, as well as in *function* with the machine of the Lorenz & Honiss patent No. 337,966.

"1. In a paper-bag machine, the combination of a [rotating cylinder *reciprocating carriage*] provided with one or more pairs of side-folding fingers adapted to be moved toward or from each other, a forming-plate also provided with side-forming fingers adapted to be moved toward or from each other, means for operating said fingers at definite times during the formative action upon the bag-tube, operating means for the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the [cylinder *carriage*] during the [rotary *reciprocating*] movement of said [cylinder *carriage*] the whole operating for the purpose of opening and forming the bottom of the bag-tube, and means to move the bag-tube with the [cylinder *carriage*]."

If the bed upon which the operations shown in Figs. 5 to 8 of the Liddell patent were the surface of a rotating cylinder, it would conform to the Liddell claim on that point; but if such bed were a reciprocating carrier, it would conform as truly to the Lorenz & Honiss patent No. 337,966.

And if we turn to Defendant's Drawing No. 5, Record, Vol. IV., p. 21, and imagine the operations indicated in the two columns of that drawing to be performed, respectively, upon a rotating cylinder bed, and a reciprocating carrier bed; we will see that in the former case, the operation shown in either column would equally conform to the Liddell claim, and in the latter case the operation shown in either column would equally conform to Lorenz & Honiss patent No. 337,966.

These comparisons show that the only novelty to which the Liddell claim can make any pretension, is the substitution of one kind of bed for another. But the mere idea of substituting a rotating cylindrical bed in place of a reciprocating flat bed for this operation, did

not involve much invention, because both forms of bed had previously been provided for this operation in this art. For Lorenz & Honiss provided a reciprocating bed in their patent No. 337,966, and a cylindrical bed in their patent No. 333,647. Record, Vol. III, pp. 126 and 98.

Thus it appears that the Liddell machine in addition to being entirely identical in *function* with the mechine of each of nineteen prior patents, is nearly identical in *structure* with one of those prior patents; and that a claim, corresponding in every respect with the Liddell claim, could have been made by Lorenz & Honiss as early as 1886, if they had combined in one application, the rotating cylinder shown in their patent, No. 333,647 of January 5, 1886, with other machinery shown in their patent No. 337,966 of March 16, 1886; both of which patents were contemporaneously pending in the Patent Office more than six months before either of them was granted, and both of which were granted nearly ten years before the Liddell patent was applied for.

Section 3.

The Law of Primary and Secondary Patents.

The law of primary patents and of secondary patents has been developed in the United States in numerous cases in Federal courts of all grades, beginning before the civil war and continuing down to the present time. The history of the subject can be traced from an early period until now in the following Supreme Court cases: McCormick *v.* Talcott, 20 Howard, 405, 1857; Railway Co. *v.* Sayles, 97 U. S., 556; 1878; Morley Machine Co. *v.* Lancaster, 129 U. S., 273, 1889; Pope Mfg. Co. *v.* Gormully Mfg. Co., 144 U. S., 242, 1892; Sessions *v.* Romadka, 145 U. S. 45, 1892; Knapp *v.* Morss, 150 U. S., 230, 1893;

Miller *v.* Eagle Co., 151 U. S., 204, 1894; Duff *v.* Pump Co., 107 U. S., 639, 1882; Boyd *v.* Janesville Hay Tool Co., 158 U. S., 267, 1895; Dashiell *v.* Grosvenor, 162 U. S., 432, 1896; Kokomo Fence Machine Co. *v.* Kitselman, 189 U. S., 8, 1903; Cimiotte Unhairing Co. *v.* American Fur Refining Co., 198 U. S., 399, 1905.

In McCormick *v.* Talcott, 20 Howard, 405, 1857, the divider of Manny was held not to infringe the divider claim of McCormick, because six prior reapers, or reaper patents, had contained dividers, which though not near enough like the McCormick divider to negative its patentability, did perform the same function as the McCormick divider, and therefore narrowed the McCormick rights enough to negative the charge of infringement. The mechanical differences between the McCormick divider and the prior art dividers cannot be fully learned from the unillustrated report of the case in the Supreme Court.

But I have found, among the pamphlets of the late George Harding, a printed copy of the opinion of Justice McLean, who wrote the decision of the Circuit Court, in January, 1856. The case had been heard by him and Judge Drummond together in September, 1855, the counsel present for McCormick being Reverdy Johnson and Edward N. Dickerson; and the counsel present for the defendant being Abraham Lincoln, Edwin M. Stanton and George Harding. Justice McLean had found the McCormick divider claim to be not infringed by the defendant's divider, in view of the prior art, which contained several dividers performing the same function. He also found the reel-post claim, and the raker's-seat claim, to be not infringed, in view of the prior art of those parts of a reaper. But the fact that there was a wide "hiatus" between the McCormick divider, reel-post and raker's-seat, and the prior art to which they belonged, is shown by the closing paragraph

of the printed opinion of Justice McLean, which I find was as follows:

"Having arrived at the result that there is no infringement of the plaintiff's patent, it is announced with the greater satisfaction, as it in no respect impairs the rights of the plaintiff. He is left in full possession of his invention, which has so justly secured to him, at home and in foreign countries, a renown honorable to him and to his country—a renown which can never fade from the memory, so long as the harvest home shall be gathered."

Mr. Lincoln did not appear as counsel in the Supreme Court in this case, but all the other counsel who had appeared before Justice McLean and Judge Drummond, took part in the argument in this tribunal, and undoubtedly presented to the Court the strongest arguments against and for that doctrine of the distinction between primary patents and secondary patents, which had been made the foundation of the decision of Justice McLean and Judge Drummond in the Circuit Court. All the justices of the Supreme Court, except Justice Daniel concurred in affirming that decision and in also affirming the opinion of the Circuit Court; and Justice Grier inserted in the written opinion of this court, the following paragraph, defining the breadth and the narrowness of construction which should be given to primary patents and secondary patents respectively.

"If he be the original inventor of the device or machine called the divider, he will have a right to treat as infringers all who make dividers operating on the same principle, and performing the same functions, by analogous means or equivalent combinations, even though the infringing machine may be an improvement of the original, and patentable as such. But if the invention claimed be itself but an improvement on a known machine by a mere change of form or combination of parts,

the patentee cannot treat another as an infringer who has improved the original machine by use of a different form or combination, performing the same functions. The inventor of the first improvement cannot invoke the doctrine of equivalents to suppress all other improvements, which are not mere colorable invasions of the first."

Railway Co. *v.* Sayles, 97 U. S. 555, 1878, was based on the Tanner car brake patent. I have known all about that case for more than thirty years, and indeed I argued it in the Supreme Court. The Tanner car brake consisted of such a combination of rods and levers, under a railroad car, with the windlasses at both ends of the car, that the operation of the windlass at either end of the car would apply the brake shoes to all the wheels at both ends of the car. The defendant's Stevens brake performed the same function, by a combination of rods and levers under the car with the windlasses at both ends of the car; and the two combinations of rods and levers were so nearly alike that either could be transformed into the other without adding or subtracting any iron or material.

Judge Drummond, holding the Circuit Court in Chicago, found the Stevens brake to be an infringement of the Tanner patent, even against the argument of ex-Supreme Court Justice Curtis, to the contrary. The prior art was thought by Judge Drummond to be confined to the combinations of rods and levers which had been used to connect the windlass at each end of a car, with the brake shoes at that end only. This was the old single brake; while the Tanner brake was held by Judge Drummond to be the first double brake. In this view, the Tanner brake was very valuable to mankind. It enabled one brakeman to simultaneously apply the brake shoes to all the wheels of the car, whereas the single brake required two brakemen to do that work, and it was impossible for them to accomplish that result with exact simultaneous-

ness. The want of exact co-ordination between the work of two brakemen on the two ends of a car, increased the time occupied in stopping a train and also increased the wear of the brake shoes upon the wheels of the car. Thus it was, that, as compared with the old single brake the Tanner brake did for each car in a train what the Westinghouse air brake did many years later for the entire train.

When Judge Drummond decided in 1871, that the defendant's brake infringed the Tanner patent, he well understood the doctrine of primary patents and secondary patents, for he had sat with Justice McLean in the McCormick case in Cincinnati in 1855, and had heard the defendants expound that doctrine in that case, and had concurred with Justice McLean in applying that doctrine to the case, in the decision of the court. But he held the Tanner patent to be a primary patent, and not a secondary one, because he held it to be for the first invention which was capable of performing its double function.

The Supreme Court also applied the doctrine of primary patents and secondary patents to the Sayles case, but that tribunal held that patent to be a secondary patent and not a primary one, and therefore narrowed its construction enough to negative its infringement by the defendant, and thereupon reversed Judge Drummond's decision to the contrary.

The finding of the Supreme Court that the Tanner patent was a secondary patent, was based on its opinion that two prior unpatented car brakes, (which Judge Drummond had held were not in the prior art because they were unsuccessful and had been abandoned), *were* in the prior art, because, though they had been abandoned as unsatisfactory, they had been used long enough to be included in the prior art. Neither of these two unpatented prior brakes had ever been used on more than one car;

and both of them had been abandoned several years before the Tanner patent was applied for. These two brakes are partly described on pages 560 and 561 of 97 U. S.; but the description of the one which the Supreme Court found to approach most nearly to the Tanner brake, is not quite complete.

That was the Milholland brake, which was used on one car, running in 1843 between Baltimore and Harrisburg. That brake purported to enable one brakeman, by turning the windlass at either end of the car, to apply the brake shoes to all the wheels of the car; but it would not work that way, with any uniformity. Its fault consisted in the fact that the center of the system was a rotating cylinder or "drum" located under the center of the car, and crosswise thereof. Four chains were wound round that drum. One of those chains extended to each windlass, and the other two extended to the sub-systems of rods and levers in the two trucks, respectively. When either of the windlasses was worked, it would operate, through its chain, to make the "drum" turn on its axis, and theoretically that turning would operate to wind up the two chains running to the two trucks, and thus work the sub-systems of rods and levers in those trucks, respectively. But the apparatus had a fault which was fatal to uniform operativeness. That fault resided in the fact that the two chains running to the trucks would not wind round the drum alike, except in rare instances when they happened to; and whenever they failed to wind round the drum alike, one would pull on the sub-system in its truck, while the other would be slack and inoperative. Any kinking of the links in one chain would make the other one thus slack; and any cause which would make one chain wind round the drum with a steeper spiral than the other would make that other one thus slack. And if one chain in winding round the drum should happen to wind over itself, while the other chain did not, the resulting slack-

ness in that other chain would make it inoperative. For these reasons, it is no wonder that nobody ever made a duplicate of the *Milholland brake*, and that it was soon abandoned.

On the other hand, the Tanner brake had an accurate lever for the center of its system, which was free from the faults of the drum of Milholland. Indeed, it was so good a brake that it was used in the very form in which it was patented on a large number of cars for more than a quarter of a century, and until the universal adoption of the Westinghouse air brake on all passenger cars.

The opinion of the Supreme Court in this case was delivered by Justice Bradley, and his exposition of the same doctrine which Judge Grier had explained in the case of McCormick *v.* Talcott, is contained in the last five lines of page 556 and the first seven lines of page 557 of 97 U. S.

In Morley Machine Co. *v.* Lancaster, 129 U. S., 273, 1889, Justice Blatchford delivered the opinion of the Supreme Court, and in that opinion, he embodied the third great decision on the subject of primary patents and secondary patents. He began that explanation with a paragraph stating the law to be that the claims of a mere improver upon a prior machine, which was capable of accomplishing the same general result, would properly receive a narrower construction, than the liberal construction to which the claims would be entitled, of the first person to produce that result. Thereupon, Justice Blatchford reviewed the McCormick case and the Sayles case, in particular support of that doctrine.

Having explained the first three of the twelve leading Supreme Court cases in the law of primary and secondary patents, I will pass over, without analyzing, the next six of those cases which I have cited on page 67 of this brief. But I will now present a full account of the last three of those twelve cases.

Dashiell *v.* Grosvenor, 162 U. S., 432, 1896, was based on letters patent No. 425,584, granted to Lieutenant Seabury on an improvement in breech loading cannon. Judge Morris held the patent to be valid and to be infringed, and had entered a decree for the complainant, 62 F. R., 584. The Circuit Court of Appeals for the Fourth Circuit, while not disagreeing with Judge Morris on either of those two points, had reversed his decision on the ground that it would prohibit the officers in charge of the navy yard from manufacturing guns for use on the war vessels of the United States.

The Supreme Court did not consider that subject, but affirmed the decision of the Circuit Court of Appeals on the ground of non-infringement. In arriving at that conclusion, the Supreme Court held, and had to hold, that identity of function between a patent in suit and the prior art, is enough to relegate that patent to a narrow construction. 162 U. S., page 432, last paragraph. The language of the Court was the following:

"As several of the patents above described show that, at the date of the Seabury invention, it was no longer a novelty to perform the three movements necessary to open and close the breech, by the continuous movement of a single lever, it follows that the first claim of this patent cannot receive the broad construction claimed, but must be limited to the precise mechanism described."

Those words in this language which refer to performing three movements, by means of a continuous movement of a single lever, refer to the function of the Seabury apparatus. Lieutenant Seabury had supposed that function to be new with him; and Judge Morris appears to have substantially agreed with the Lieutenant. But the Supreme Court found otherwise, and felt compelled to relegate the Seabury apparatus to a secondary position in the art, and for that reason to find non-infringement.

Kokomo Fence Machine Co. *v.* Kitselman, 189 U. S., 8, 1903, involved the Kitselman patent No. 356,322, granted January 8, 1887, on a wire fabric machine. The case originated in the United States Circuit Court for the Northern District of Illinois; and was taken therefrom by appeal to the Circuit Court of Appeals for the Seventh Circuit; and was taken from that court by a writ of certiorari to the Supreme Court of the United States. The case turned in each of the courts, upon the question whether the defendant's machine infringed the Kitselman patent; the defendant's machine having been made and used under the later Whitney patent No. 502,025 of December 24, 1895.

This question of infringement turned in each of the courts, upon the question whether the Kitselman patent was a primary patent or was a secondary patent; each of the courts holding that, if it was a primary patent, it was entitled to a construction broad enough to cover the Whitney machine; but that if it was a secondary patent, it was not entitled to a construction broad enough to cover that machine. The Circuit Court held that the Kitselman patent was not a primary patent; and therefore that court decided the question of infringement in the negative. The Circuit Court of Appeals held that the Kitselman patent was a primary patent; and therefore it decided the question of infringement in the affirmative.

The Supreme Court in an opinion delivered by Chief Justice FULLER decided that the Kitselman patent was not a primary patent; and therefore decided that the Whitney machine did not infringe the Kitselman patent.

The question whether the Kitselman patent was a primary patent or a secondary patent, depended upon the question whether any or all of several prior patents on other machines, would operate to relegate the Kitselman patent to a secondary position. The Circuit Court of

Appeals held that they could not have that effect, because it found none of them to represent a machine which could perform the function of the machine of the Kitselman patent; Kitselman *v.* Kokomo Fence Machine Co., 108 F. R., 658, 1901. But the Supreme Court differed from the Circuit Court of Appeals upon that question of comparative function, and therefore decided that the Kitselman patent was not a primary patent.

The law of primary patents and secondary patents was assumed as elementary, rather than being fully formulated, as if it were new, both by the Circuit Court of Appeals and also by the Supreme Court in the Kokomo case; but the facts of that case, together with the decision of the Supreme Court therein, furnish all the materials for framing such a formula; and such a formula was framed and published four years ago, by me as a text writer, in the following paragraph:

"The doctrine of the Kokomo case is as follows: A patent which is the first to give to the world an invention for doing a particular part of the world's work, is a primary patent and is entitled to have a broad construction; but a patent which is not thus primary, is limited to the identical means and mode of operation which it describes." Walker on Patents, Fourth Edition, Sec, 184, paragraph 5.

Having found that the Circuit Court in which the case originated was right in holding the Kitselman patent to be a secondary patent and not a primary one; the Supreme Court, in speaking of the comparative character of the Kitselman machine and of the defendant's machine, announced its agreement with the Circuit Court in the conclusion that "the machines lack that identity of means and identity of operation which must be combined with identity of result to constitute infringement." 189 U. S., p. 24, lines 13 to 16.

The latest Supreme Court case involving the law of primary patents and secondary patents, is the case of the Cimiotti Unhairing Co. *v.* the American Fur Refining Co., 198 U. S., 399, 1905. That case was decided May 15, 1905, in an opinion delivered by Justice DAY.

The syllabus of the decision in the Cimiotti case, comprises five paragraphs, and it accurately represents what the opinion of the Court sets forth. The last paragraph of the syllabus, reads as follows:

"Where the patent does not embody a primary invention, but only an improvement on the prior art, the charge of infringement is not sustained, if defendant's machine can be differentiated."

The language of the decision itself on this point of law reads as follows:

"Where the patent does not embody a primary invention, but only an improvement on the prior art, and the defendant's machines can be differentiated, the charge of infringement is not sustained," 198 U. S., 414, lines 19 to 22.

The facts in the Cimiotti case which occasioned this announcement of law were as follows:

The first machine ever used for removing stiff hairs from among the soft hairs of furs, was the machine of the Cimiotti patent No. 240,007 of April 12, 1881. That patent had five claims. The first four claims were on combinations of parts of the machine; while claim 5 was a process claim. That process claim has no particular significance now; except that it states the plan and mode of operation of the Cimiotti machine. It does so as follows:

"The method herein described of plucking sealskins, consisting in first stretching the skin tightly over a knife-edged support, then forcing the soft hair back by a strong air-current, next retaining and protecting the soft hair by

suitable guard devices, and finally clipping or plucking the stiff projecting hair or bristles, all substantially as specified."

This Cimiotti patent is mentioned in lines 1 to 5 of page 401, 198 U. S. And in lines 4 to 6 from the bottom of page 408, the court states that the Cimiotti machine was extensively used for some years, and as late as 1890.

The second patent on a machine for doing this unhairing work, was the British patent to Lake of October, 1881. This patent is said in lines 18 to 20 of page 410 of 198 U. S. to appear not to have been a success; and to have lapsed in 1885, for non-payment of taxes.

The third patent on a machine for doing this unhairing work, was the Covert patent No. 304,992 of September 9, 1884. This patent is attended to in the last nine lines of page 407, and the first 26 lines of page 408, 198 U. S., where it is apparently treated as not commercially successful. Only two Covert machines were ever built. The first was broken up, and the last was abandoned. See 115 Fed. Rep., 501, last paragraph.

The fourth patent in this art, was the Sutton patent No. 383,258 of May 22, 1888. This was the patent on which the Cimiotti case was based.

The Sutton patent has eleven claims; but claim 8 was the only one involved in the Supreme Court case. That claim is as follows:

"The combination of a fixed stretcher-bar, means for intermittingly feeding the skin over the same, a stationary card above the stretcher-bar, a rotary separating-brush below the same, and mechanism, substantially as described, whereby the rotary brush is moved upward and forward into a position in front of the stretcher-bar, substantially as described," 198 U. S., 409, lines 12 to 7 from bottom.

That claim of the Cimiotti patent which was nearest like this claim of the Sutton patent, read as follows:

"In a machine for clipping seal skins, the combination of a knife-edged bar, and means for stretching and feeding the skin over the bar, with an air-forcing apparatus above the bar, with oscillating guard-combs, and with clipping knives above the same, substantially as specified."

The generic difference between the Cimiotti machine and the Sutton machine consisted in the means used to bend the soft hairs in a downward direction, while allowing the stiff hairs to stand up, so as to be cut off or plucked out, without disturbing the soft hairs. Cimiotti used an air current, but Sutton used a rotary brush, for that purpose. Though the function of the two machines was the same; their modes of operation were different, and their constituent elements were partly different, though partly alike.

The Covert patent showed a revolving cloth-covered cylinder to bend the soft hairs in a downward direction; but that device was not a good one for that purpose, and the Covert machine was a failure and was abandoned.

The Lake patent showed two brushing rolls or brushes, among its parts; but the intended mode of operation of those devices was not clearly shown in the patent, 198 U. S., 410, lines 20 to 22; 108 Fed. Rep., 83, lines 20 to 25. It was uncertain which of them was to operate first, and this was an important question, 108 Fed. Rep., 83, lines 21 to 6 from bottom. Anyway, the mode of operation of the two together was substantially different from that of the single brush of Sutton, 108 Fed. Rep., 84, lines 23 to 32. "The Lake patent was nothing but an ambiguous description of incomprehensible drawings," Coxe, J., in 115 Fed. Rep., 500; lines 12 to 14.

This review of the prior art, shows that the Sutton patent was as high as number four in the art to which it belonged; and that only one of its three predecessors was a commercial success; and that no one of them was like

the Sutton machine, either in mode of operation or construction.

The great utility and the extensive commercial use of the Sutton machine, though not fully stated in the Supreme Court case, is made known to us in the decision of a lower court; where it appears that the Sutton machine has been used for years to unhair about a million pelts each year, 108 Fed. Rep., 84, lines 12 to 13.

The validity of the Sutton patent has been sustained over and over again, in court after court, Townsend, 95 Fed. Rep., 474; Wheeler, 98 Fed. Rep., 297; Townsend, 108 Fed. Rep., 82; Wallace, Coxe and Hazel, 115 Fed. Rep., 498; Archbald, 120 Fed. Rep., 672; Acheson, Dallas and Buffington, 123 Fed. Rep., 869.

It is now in order to show the character of those differences between the Sutton machine, and the defendant's machine, which caused the Supreme Court to find non-infringement on the ground that the two machines "can be differentiated." Those differences were two in number.

The first difference, consisted in the fact that, in the Sutton machine, the brush and the knife were carried to the stretcher-bar; whereas in the defendant's machine, the stretcher-bar was carried to the knife and the brush. The complainant contended that this was an immaterial difference. But the Supreme Court held it to be material; because it involved a difference of *mode of operation*, 198 U. S., 413; last 13 lines, and first 12 lines of page 414. This decision of the Supreme Court was contrary to that of the Circuit Court of Appeals for the Second Circuit. For that court had held that it was immaterial whether the brush moved while the stretcher-bar was stationary; or the stretcher-bar moved while the brush was stationary; because the *result* was identical, 115 Fed. Rep., 503, lines 3 to 7.

The second difference between the Sutton machine and the defendant's machine, to which the Supreme Court called attention in the unhairing case, was treated as *sufficient* but not *necessary* to the decision; because the first difference was treated as *alone* sufficient. This *second* difference consisted in the fact that, whereas the Sutton patent included "a stationary card E," among the elements of its claim 8; the defendant's machine substituted a compression bar for that card. The Supreme Court held that that compression bar was not an equivalent for that card; because it had no teeth to do any carding; though it did perform that function of the stationary card which consisted in holding down the fur before it was carried to the brush, 198 U. S., 415, last five lines and first six lines of page 416.

It was to these facts that the Supreme Court applied the rule that: "Where the patent does not embody a primary invention, but only an improvement on the prior art, and the defendant's machines can be differentiated, the charge of infringement is not sustained."

Section 4.

Comparison of Liddell Patent and Defendant's Machine.

It is now in order to compare the defendant's machine with the Liddell patent by means of that rule of infringement of secondary patents which is embodied in each of the twelve Supreme Court cases cited in the first paragraph of the last preceding section of this brief, and which rule was explained in differing language, but with the identity of meaning by six different justices of this court in the first three and in the last three of those twelve cases, and which explanations are set forth with

collateral and legitimate comments in those paragraphs of the last preceding section which follow the citations of the twelve cases.

The Structure of the Liddell Patent.

A copy of the Liddell patent occupies pages 468 to 476 of Vol. III of the Record. The complainant, when taking its evidence in chief, did not put in evidence any drawing purporting to represent anything shown in the Liddell patent, except the drawings of the patent itself; and the complainant did not at that stage of the case put in evidence any model of the mechanism of the Liddell patent, or any machine made under that patent.

When the complainant took its evidence in answer to the defendant's evidence, the complainant's counsel offered in evidence a large and complete paper bag machine, and caused that machine to be marked "Complainant's Exhibit Operative Machine of Liddell Patent in suit," Record, Vol. I, p. 172, last paragraph. That machine being much too large, massive and heavy to be brought into the Supreme Court chamber, its structure is evidenced in the record, by a number of drawings and photo-mechanical pictures, most of which were introduced by the complainant.

One of those pictures is on p. 872 of Vol. I of the Record, and is entitled "Complainant's Exhibit Liddell Machine, Photo No. 1." That picture is a photo mechanical print made from the original Photo No. 1, and which is a photograph of the "Liddell Machine." Other photo-mechanical prints of portions of the "Liddell Machine" appears on pages 873 to 876, inclusive, of Vol. I of the Record.

The drawings in the Record which relate to the "Liddell Machine" are those which are included in Vol. I of

Record, and are printed upon the sheets which are paged 870, 871, 877, 919, 920, 921, 922, and 923, respectively.

That one of those drawings which is printed on page 870, contains two figures which represent some parts of the "Liddell Machine" in two different positions.

The drawing which is printed upon the sheet No. 871 of Vol, I. Record, is a technical diagram supposed to be representative of methods used in laying out certain cams which are present in the "Liddell Machine."

The sheet in Vol. I of the Record which is page 877, contains four figures, showing some, but not all, of those instruments of the "Liddell Machine" which operate directly upon the paper to transform the forward end of the tucked paper tube into the diamond form; but that sheet does not contain any representation of any operating means for the forming plate.

The sheet in Vol. I of Record, which is page 919, is entitled: "Liddell's Paper Bag Machine Two Modified Forming Plate Operating Plans." That sheet contains two figures showing two different mechanisms; but no such mechanism as either of them is shown in the Liddell patent, or is present in the "Liddell Machine."

That sheet in Vol. I of Record, which is on page 920, purports to represent two of the numerous cams in the "Liddell Machine."

That sheet in Vol. I of Record which is page 921, purports to represent the "cylinder" and paster roll of the "Liddell Machine."

That sheet of Vol. I of the Record, which is page 922, is entitled: "Flatening Plates of Liddell Paper Bag Machine." That sheet of drawings purports to represent two flatening plates, A and B respectively, one or the other of which was always used in the "Liddell Machine" whenever that machine was used.

Sheet 3 of the drawings of the Liddell patent, Record, Vol. III, p. 472, shows the entire work toward the production of a paper bag, which purports to be done by the mechanism of that patent, which entire work consists of opening out the tucked paper tube of Fig. 5 into the diamond form Fig. 8 through the intermediate forms of Fig. 6 and Fig. 7. That sheet shows the forming plate E, having the sharp edge W, and shows the side-folding fingers G and the side-forming fingers H, and shows also the upper forward finger E' and the lower forward finger *c;* which forming plate, side-folding fingers, side-forming fingers, and forward fingers are the instruments which act upon the paper to do the transforming work of the machine.

Defendant's drawings No. 5, Record, Vol. IV, p. 21, when examined in connection with the testimony of the Continental expert, Stone, Record, Vol. II, p. 1137, Q. 22, shows that the prior Lorenz & Honiss patent No. 337,966 contained similar instrumentalities for performing the same transforming work upon the forward end of a tucked paper tube, as that represented by sheet 3 of the drawings of the Liddell patents; but the machinery which was employed in the Lorenz & Honiss patent No. 337,966 to work those transforming instruments, was different from the machinery shown in the Liddell patent for working the similar transforming instruments shown in sheet 3 of the drawings of that patent.

Now let us turn to the other sheets of the drawings of the Liddell patent and learn therefrom what machinery those drawings present for working the instruments shown in sheet 3. I first call attention in this behalf to the cylinder C, which is shown in Fig. 1, to be a regular cylinder, having a plain circular periphery, and enlarged segments of that cylinder are shown in Figures 3 and 4. I next call attention to the forming plate E, which appears in Fig. 1, to be pivoted at one edge by the pivot e

to the rocking arm F, and to be hovering over the cylinder C, and which forming plate is shown on an enlarged scale in Fig. 3 in about the same position relative to the cylinder C. The side-folding fingers G of sheet 3 of the drawings are not shown in Fig. 1, because the scale of that figure is too small to show those fingers; but they are shown in Figures 3 and 4 as being appurtenant to the Cylinder C, so as to hold the paper below them, down upon the periphery of that cylinder. The side-forming fingers H of sheet 3 of the drawings are also absent from Fig. 1 on account of the smallness of the scale of that figure; but they are shown in Figures 3 and 4, as appurtenant to the forming plate E, so as to hold the paper above them against the lower side of that forming plate in the position shown in Fig. 5 of sheet 3, and so as to co-operate with that forming plate in folding that paper upward and backward over the sharp edge W of that forming plate, and downward to the position shown on Fig. 8 of sheet 3. So, also, the finger E′ of sheet 3 of the drawings is absent from Fig. 1, on account of the smallness of scale of that figure; but that finger is shown in Figures 3 and 4 of the drawings, as having its shank inserted in the shaft e which constitutes the axis of the forming plate E, and as having its hook-like extension extending under the upper ply of the tucked paper tube, so as to co-operate with the forming plate E in lifting that upper ply from the position shown in Fig. 5 to the position shown in Fig. 6, and in thereupon carrying that upper ply backward and downward through the position shown in Fig. 7 to that shown in Fig. 8. The lower forward finger c does appear in Fig. 1 of the drawings, but it appears still more clearly in Figures 3 and 4 as performing its function of holding the lower ply of the forward end of the tucked paper tube down upon the surface of the cylinder C to which it is appurtenant.

The specification of the Liddell patent explains that in the operation of the mechanism of that patent, the cylinder C is to constantly rotate at an unchanging speed in a clock-wise direction; and that the forming plate E must simultaneously oscillate upon its axis e, in such a way as that the edge W of the forming plate E, will move forward through a curved path, concentric with the cylinder C, and at equal speed with a real or imaginary line extending lengthwise of the periphery of that cylinder immediately under and adjacent to that edge W. The forming plate E must thus oscillate at least as far forward as the dotted secondary position which that forming plate is shown as occupying at the right of the arm F in Fig. 1 of the drawings of the Liddell patent; and in order that the forming plate E may have this peculiar oscillating motion, the arm F must oscillate upward and downward just enough to *permit* that motion, while the axis e of the forming plate must rock just enough to *cause* that motion of the forming plate E. To accomplish this compound and complex motion of the forming plate E, the Liddell patent provides very peculiar operating means, consisting of two trains of moving parts.

The first of those trains of moving parts consists of the cam K′ and of the arm F′, which cam and which arm purport to so operate as to cause the arm F to oscillate to precisely the extent, and in precisely the combination of varying speeds that it must oscillate, in order to *permit* the edge W of the forming plate E to pursue its peculiar path. The second of those trains of parts consists of the cam K, and the rod k, and the link k^2, and the arm connecting that link with the gear M′, and the gear M′, and the two intermediate gears M, and the final gear N, which final gear is keyed to the shaft of the axis e, upon which the forming plate E is to oscillate. The cams K′ and K are both keyed to the shaft L; and the gear M^2 is also

keyed to that shaft and meshes with the gear M^3 which is keyed to the shaft B; so that the shaft L and the cams K′ and K will make exactly two revolutions while the shaft B and the cylinder C are making one revolution.

THE FOUR DIVISIONS OF THE LIDDELL MACHINE.

I shall now enumerate those parts of the mechanism of the Liddell patent which are included in the three claims thereof, which are alleged to be infringed by the defendant.

The first division of parts of the combination of each of those claims includes a rotating cylinder provided with side-folding fingers. Claim 1 and claim 2 also call for "means to move the bag tube with the cylinder"; and though claim 7 does not expressly call for that element it is necessary to the operativeness of the cylinder, and it is found in the drawings in the lower front finger c. Thus the first division of the mechanism called for by those claims of the Liddell patent which are alleged to be infringed by the defendant's machine comprises the cylinder C, the side-folding fingers G, and the lower forward finger c.

The second division of that claimed mechanism is specified in claim 1 and also in claim 2 and also in claim 7 of the patent as "a forming plate provided with side-forming fingers." This language refers to the forming plate E, and its side-forming fingers H. The claims ought also to have expressly called for the upper forward finger E′ and claim 2 does so, and claims 1 and 7 probably call for that finger by implication, because such a finger seems to be necessary to the mechanism of the patent.

The third division of the claimed mechanism is specified, in each of the claims 1, 2 and 7, as means for operating the side-folding fingers and the side-forming fingers at definite times; and the specification and drawings indi-

cate that those means consist in certain cams, arms, springs and rods which are shown in Fig. 2 of the drawings of the Liddell patent.

The fourth division of the claimed mechanism is attended to in each of the three claims alleged to be infringed in exactly the same words, which words are "operating means for the forming plate, adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder, during the rotary movement of said cylinder."

Neither claim designates the "operating means," adapted to cause the forming plate to oscillate about its rear edge, either by names, or by reference letters or numerals; and recourse must, therefore, be had to the descriptive part of the specification to ascertain what "operating means" are meant by that language in each of the claims.

The statement of the last paragraph, was made in my brief in the Circuit Court; but it was not there supported by any citation or argument, because I thought that the last part of the statement is as plainly true in point of law, as the first part is plainly true in point of fact.

But Judge Putnam, in his written opinion, quoted that statement; and held it to be a "fundamental error" of myself, the correction of which might solve all I had to say on the question of similitude. Record, Vol. II, p. 1895, second paragraph.

The issue thus raised by Judge Putnam was indeed fundamental; and one question for this court to decide, is whether it was the Judge, or was myself, who was in error thereon. On that issue, I submit the following nine paragraphs of argument and authority, in favor of my view.

Where a claim attends to one division of its subject-matter by such words as "operating means" "adapted"

to perform a particular function designated in the claim, and does not designate any "operating means" either by names or by reference letters or numerals; there are only two conceivable ways of construing the claim at that point. One way is to have recourse to the descriptive part of the specification, to ascertain what "operating means" are set forth there, and then to construe the claim as calling, at that point, for those "operating means" or their equivalents. The other way, is to ignore the descriptive part of the specification, in this behalf, and to construe the claim as being satisfied, at that point, by any "operating means" which can perform the particular function designated in the claim. The practical difference between these two methods of construction, resides in the fact that according to the second method, identity of function is enough to constitute infringement; whereas according to the first method, identity of function must be accompanied by substantial identity of character, and substantial identity of mode of operation, in order to constitute that result.

Judge Putnam, appears in his written opinion, to hold that the second method of construction is the true one. That holding is expressed, not only where his Honor pronounces the first method to be a "fundamental error;" but also where he says that "Liddell's alleged invention covered every method of combining the rotating cylinder with the forming plate, to oscillate about its rear edge on the surface of the cylinder, and the claims are as broad as the invention." Record, Vol. II, p. 1894, lines 7 to 10. And the same holding is also expressed where he says that "the identity of functions of the two mechanisms is the entire substance on this question of infringement." Record, Vol. II, p. 1898, last three lines. And the same holding is again expressed, where he says that "so far as the real novelty of the claims in suit is concerned, we

have nothing to do with the particular mechanism." Transcript of Record, Vol. II, p. 1900, lines 23-24.

These holdings of Judge Putnam were contrary to the law of the point; as that law has long been generally understood and adjudicated in the United States.

In Eames *v.* Godfrey, 1 Wallace, 78, 1863, the judgment of the court below was reversed because the judge had charged the jury that identity of function was enough to constitute equivalency between an omitted part and a substituted part, of an otherwise unchanged combination; the Supreme Court saying that this view of the law was wrong on principle and authority. Thus the same error which was made by the Circuit Court in that case, appears to have been repeated by the Circuit Court in this case, though the correction of that error was the particular point which was unanimously adjudicated in that case by the Supreme Court, at the time of the Civil War, forty-five years ago.

Indeed the law on this subject was stated in the first edition of Curtis on Patents, published in 1849. In that text book, the whole of Section 222, is as follows:

"But if the difference between two machines is not a mere difference of form; if there is a material alteration of structure; if they are substantially different combinations of mechanism, to effect the same purpose, by means which are really not the same in substance, then the one will not be an infringement of the other."

The second edition of Curtis on Patents was published in 1854, and its Section 222, is exactly like Section 222 of the first edition. The third edition of Curtis was published in 1867; and the first paragraph of its Section 309 is a copy of Section 222 of each of the two prior editions. The fourth and last edition of Curtis was published in 1873 and the first paragraph of its Section 309 is exactly like each of the three earlier editions, in its statement of law on this subject.

The author of Curtis on Patents was never a judge, but he devoted to the construction and formulation of the patent law more effectual work than any judge of his time; and Judge Putnam, in this very case, pronounced his book to be "authoritative." Transcript of Record, Vol. II, p. 1922, lines 3 and 4. No text-book is authoritative, in the sense of being an edict or a decision; but the best text-books are authoritative in the sense of being records of a science. And where a text-writer, as able as George Ticknor Curtis, formulated in his youth a particular rule of the patent law, and repeatedly republished that rule without any change in his prime, and yet again in his old age, it is improbable that his formulation was fundamentally wrong.

The foregoing negation of the second conceivable method of construing a claim which designates one division of its subject-matter as "operating means" for performing a particular function, shuts us up to the first method, as the only true method, of construing such a claim. That method consists in having recourse to the descriptive part of the specification, to ascertain what "operating means" are set forth therein, and then in construing the claim as calling, at that point, for those operating means or their equivalents.

Turning to the descriptive part of the specification, we find that those operating means include the two trains of moving parts which I have already described as cooperating to impart to the forming plate its peculiar oscillating motion. I said that one of those trains of parts begins with the cam K′ and ends with the arm F; and that the other train begins with the cam K and ends with the gear N keyed to the shaft e; and I explained that the cams K′ and K are both keyed to the same shaft, L, and that the gear M^2 is what imparts motion to those cams through that shaft.

I am justified in including both those trains of moving parts, together with the gear M^2 and the shaft L, within the boundary of what claims 1, 2 and 7 of the patent signify, when those claims use the words "operating means for the forming plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder;" because none of those moving parts have any function whatever except to operate the forming plate. Indeed, there is still another thing shown in the drawings of the Liddell patent which falls in the same category in this behalf, and that thing is the spiral spring F' which is shown as connecting the arm F with the frame of the machine, so as to draw that arm downward at the proper time, instead of relying upon gravity to accomplish that movement.

THE STRUCTURE OF THE DEFENDANT'S MACHINE.

All of the defendant's machines are represented by one of them, which is everywhere designated in the record as the Walker Model Room Machine, and which, though it differs in some respects from the other hundred and sixty machines of the defendant which were held to infringe the Liddell patent, is substantially like all of them in respect of its relations to that patent. The Walker Model Room Machine is a full size working machine containing many hundreds of parts and weighing about two tons. It was not put in evidence in this case, as primary evidence of its own character; because it properly occurs in patent cases that secondary evidence is received of the character of defendant's machinery, without producing such machinery in court.

The secondary evidence which is presented to the Court of the character of the Walker Model Room Machine, consists of the testimony of the Continental expert,

Wilbur M. Stone, and of the complainant's expert, Melville E. Dayton, and of some drawings of some parts of that machine, which were put in evidence in connection with those depositions, respectively, and which were used by those experts respectively, as means of explaining to the Court the relevant mechanical facts in the Walker Model Room Machine.

One drawing of parts of the Walker Model Room Machine is defendant's drawing No. 11, Record, Vol. IV, p. 33; and another is that one of the complainant's drawings which is printed on page 917 of Vol. I of the Record. Those two drawings are quite different in their general appearance, but both of them are quite correct as far as they respectively go, and each of them will furnish material assistance toward comprehending the Walker Model Room Machine, after a general idea of the construction of that machine has otherwise been acquired. The acquisition of that general idea can be reached by carefully studying the two patents under which the Walker Model Room Machine was built, and which two patents are the Claussen patent No. 598,497, and the Claussen & Mortsen patent No. 635,090; copies of which patents constitute the last part of Vol. III of the Record, beginning with p. 478.

The last paragraph of the descriptive part of the specification of the Claussen patent, No. 598,497 will be found on page 497 of Vol. III of the record and it reads as follows:

"This machine is distinguished from all prior machines for making square-bottom paper bags in many respects, one of which consists in the new mode of operation by which it folds the diamond form of the paper. That new mode of operation includes carrying both plies of the paper tube at the primary transverse folding-line, which is defined by the lower edge of the tucker-plate, for-

ward under the secondary transverse folding line, across the upper ply of the paper tube, which is afterward defined by the creaser-blade 107, and the creaser-groove 108, instead of carrying the secondary transverse folding-line backward over the primary transverse folding-line. In this new mode of operation the carrier oscillates inward from its normal position while it is co-operating with the tucker-plate to make the primary transverse fold and the inwardly inclined triangular folds during the first half of that making and oscillates outward to its normal position while it is thus co-operating during the last half of that making, whereas in every prior machine the folding-bed which most nearly corresponds with the carrier of this machine does not thus oscillate while those folds are being made, but simply holds the lower ply of the paper tube against all oscillation while the upper ply is being turned over backward upon itself. It results from this new mode of operation that all the devices which act upon the paper to make the primary transverse fold and the inwardly inclined triangular folds are moving forward while they are making them, whereas in the prior machines some devices which help to make those folds are moving backward at that time, and this new result is promotive of speed and also of some of the other superiorities which characterize this machine."

When the application for the Claussen patent, No. 598,497 was filed in July, 1896, the Liddell patent was three months and one day old, and was well known to Mr. Claussen, who himself wrote the original specification of the Claussen patent; and was well known to me, who as Mr. Claussen's attorney, wrote the above quoted paragraph of that specification by way of amendment to his original work thereon. And the Liddell patent must have been well known to the examiner who allowed the Claussen application, with that paragraph therein, for the ap-

plication for the Liddell patent had been examined and allowed in the patent office only a few months before he examined the Claussen application.

It was under these circumstances, that I wrote and that Mr. Claussen inserted in his application, and that the examiner in the Patent Office approved, the above quoted paragraph in the Claussen patent. That action by myself, and that action by Mr. Claussen, and that action by the examiner in the Patent Office, combine to prove that we three men, when knowing all about all the relevant facts, and being experts in the subject, agreed in ascribing to the Claussen machine the new mode of operation which is fully stated in the above-quoted paragraph from the Claussen specification. And there is no evidence in the record that anybody ever disagreed with us on that subject.

The Claussen patent No. 598,497, has twenty claims. None of those claims, nor any claim which was ever made in the application of that patent, was ever rejected upon any reference to the Liddell patent; though the Liddell patent was granted three months and one day before the Claussen patent was applied for. This fact indicates that in the judgment of the Patent Office examiner the Claussen machine is substantially different in structure from the Liddell machine; for it is almost certain that, if those two machines had been substantially alike in structure, Claussen would have made some claim which the examiner would have rejected upon reference to the Liddell patent.

The structure of the machine of the Claussen patent No. 598,497 is identical with the structure of the defendant's machine as that structure is defined in each of the first five claims of the Claussen patent. The broadest of those claims is claim 1, and the narrowest of them is claim 5, which statement may seem a paradox in view of the

fact that claim 5 comprises more than twice as many words as claim 1, and calls for more than twice as many parts in combination. But this paradox is resolved into an obvious truth by the fact that the breadth of a claim in a patent is in inverse proportion to the number of elements specified in that claim. This fact is due to that rule of patent law which is to the effect that infringement of any claim is averted by him who omits any one or more elements specified in that claim, while employing all its other elements.

Thus it is that that claim of the Claussen patent which conforms most fully to the defendant's machine, is claim 5, which reads as follows:

"5. The combination of a rotating conveyer; two or more oscillating carriers, pivoted to the conveyer; mechanism to oscillate each carrier upon its pivot; devices to hold the lower ply of a tucked paper tube upon the face of each carrier; a tucker-plate, vibrating upon trunnions not substantially on the line with its defining edge; and devices to hold the upper ply of a tucked paper tube, against the face of the tucker-plate, between the line of its trunnions, and the line of its defining edge; all co-operating during the forward movement of the conveyer, and during both parts of the oscillation of each carrier, and during the forward vibration of the tucker-plate, to unfold a tucked-paper tube, and to refold it into a paper-bag blank, having inwardly inclined triangular folds."

The "conveyer" of the defendant's machine is an irregular and peculiarly shaped conveying frame 55; and that conveyer has pivoted thereto, in the defendant's machine three oscillating carriers 56. The drawings of the Claussen patent No. 598,497 show a rotating conveyer with places for two oscillating carriers pivoted thereto, Record, Vol. III, p. 482; and the drawings of the Claussen & Mortson patent agree with those of the Claussen patent in this respect, Record, Vol. III, p. 502. It is

immaterial to this suit whether such a conveyer has two or has three oscillating carriers pivoted thereto. But in commercial paper bag machinery like the defendant's machine there should be at least three carriers pivoted to each conveyer; for each carrier constitutes a folding bed upon which the diamond form is opened out and folded down and because three such diamond forms can be made with one revolution of a conveyer provided with three oscillating carriers, whereas only two such forms could be made with one revolution of a conveyer having two oscillating carriers.

This plan of making a rotating conveyer and two or three oscillating carriers to constitute one division of a paper bag machine was introduced into the art by Mr. Claussen, and was first shown in any patent in this Claussen patent No. 598,497. This fact of the primacy of Mr. Claussen in respect of this invention is plainly asserted in the Claussen patent 598,497, and was reasserted by Mr. Claussen in his deposition in this case, Record, Vol. II, p. 1050, R-D-Q. 421, and is not controverted by any evidence, or even by any statement in the record.

This Claussen invention of a rotating conveyer and two or more oscillating carriers was the most important invention in paper bag machinery which was shown or described in any United States patent after 1889, and until after the Claussen patent was granted in 1898. This statement is convincingly supported by the fact that not any of the seven patents, including the Liddell patent, which were granted during that time on machines for doing the same work, was ever followed in building any important number of paper bag machines, and by the fact that a hundred and sixty-one paper bag machines have been built in accordance with the Claussen patent and under its authority and have been used constantly by the defendant for years in making hundreds of millions of paper bags every year.

This Claussen invention of a rotating conveyer and two or more oscillating carriers in paper bag machinery, was not only important in the sense of being valuable, but it was also important in the sense that it required a new environment of other parts to constitute therewith a complete paper bag machine. One division of that new environment is specified in claim 5 of the Claussen patent as "mechanism to oscillate each carrier upon its pivot." Another part of that environment is specified in that claim as "a tucker-plate vibrating upon trunnions, not substantially on a line with its defining edge" and the specification and drawings of the Claussen patent show that those trunnions are and must be fixed in one place, and do not and must not vibrate relatively to any other part of the machine.

SPECIFIC COMPARISONS BETWEEN LIDDELL & CLAUSSEN.

The "rotating cylinder" of the Liddell patent is absent from the defendant's machine, not only in name but also in substance; because the compound conveyer and the carriers of the defendant's machine do not perform the same function as that cylinder in substantially the same way; and because one thing to be equivalent to another in the eye of patent law must perform the same function as that other, and must perform that function in substantially the same way; Burr *v.* Duryee, 1 Wallace, 573, 1863; Werner *v.* King, 96 U. S., 230, 1887; Dryfoos *v.* Wiese, 124 U. S., 37, 1887; Forncrook *v.* Root, 127 U. S., 181, 1887; Sargent *v.* Burgess, 129 U. S., 19, 1889; Sickles *v.* Borden, 3 Blatch., 535, 1856; Peard *v.* Johnson, 23 F. R., 509, 1885; Tonduer *v.* Chambers, 37 F. R., 337, 1889; Pacific Cable Ry. Co. *v.* Butte City Ry. Co., 58 F. R., 420, 1893; Carter Mach. Co. *v.* Hanes, 70 F. R., 865, 1895;

Engle Sanitary & Cremation Co. *v.* City of Elwood, 73 F. R., 486, 1896; Pittsburg Meter Co. *v.* Pittsburg Supply Co., 109 F. R., 644, 1901; Farmers' Mfg. Co. *v.* Spruks Mfg. Co., 119 F. R., 599, 1902.

The function of the rotating cylinder of the Liddell patent consists simply in constituting a solid unyielding bed upon which the forming plate of that patent, together with the side-forming fingers, and the side-folding fingers, and the front fingers of both, co-operate to open out one end of a tucked paper tube and fold it down into the diamond form. To enable that operation to be performed by those instrumentalities upon that cylinder, the forming plate must not only oscillate forward and backward over the cylinder, but it must also rise and fall bodily, relative to the surface of the cylinder.

Quite otherwise than this, the function of the conveyer of the defendant's machine consists simply in furnishing a pivotal support and rotating motor for the oscillating carriers of that machine, and does not include acting as a folding bed upon which the diamond form is opened out and folded down by those instrumentalities.

The fact that the conveyer does not constitute a folding bed, or any part of any folding bed, upon which any tucked paper tube is opened out and folded down into the diamond form, is a fact which is proved by the complainant's drawing of portions of the Walker Model Room Machine, and which drawing is printed as page 917 of Vol. I. of the Record. A careful examination of Fig. 1 of that drawing will show that the carrier 56 extends backward as far as an imaginary line connecting the centers of the opposite shafts 83; and will show that the portion of the conveyer which is immediately in the rear of the rear edge of the carrier, is some distance below the body of the tucked paper tube, and therefore gives no support to that tube. An examination of Fig. 2 of the

drawing will show that the tucked paper tube is being opened out upon the carrier 56 as a folding bed, and that none of that folding is being done upon any part of the conveyer 55. An examination of Fig. 3 of the drawing will show that the forward end of the tucked paper tube has been opened out and folded down into the diamond form, and that all that folding has been done upon the carrier 56, and none of it upon the conveyer 55.

Thus it is entirely plain that the conveyer 55 does not perform or participate in the performance of that function of the cylinder C of the Liddell patent, which, as we have already seen, consists in constituting a folding bed upon which other instrumentalities shown in that patent, operate to open out the forward end of the tucked paper tube, and fold it down into the diamond form. And it is also plain that the folding bed of the defendant's machine, instead of being an unyielding surface of a cylinder, is a carrier which yields and oscillates. The yielding and oscillation of the carrier 56, is shown, though not conspicuously shown, in Fig. 2, and also in Fig. 3, of the Complainant's drawing on page 917 of Vol. I of the Record.

The real character and significance of that yielding and oscillation of the carrier 56, are better shown and explained in the Claussen patent, No. 598,497, under which the defendant's machines were built. Figures 6, 8, 10, 12, 14 and 16 of that patent, Record, Vol. III, pp. 484 to 486, show the successive stages of that oscillation, beginning with Figures 6 and 8, increasing in Fig. 10, and increasing to the maximum in Fig. 12, and passing through its return movement in Fig. 14, back to the end of one cycle of oscillation in Fig. 16. The significance of that oscillation of the carrier 56 of the defendant's machine is set forth in the specification of the Claussen patent, and particularly in the last paragraph of the descriptive

part of that specification, which paragraph begins with line 47 and ends with line 86 of page 5 of that specification, and which page is page 497 of Vol. III, of the Continental Record.

What the complainant must claim on this subject, is that the conveyer 55 and the carrier 56 of the defendant's machine together constitute such a cylinder as the cylinder C of the Liddell patent. In pursuance of that claim, the complainant contends that the carrier 56 of the defendant's machine is simply an oscillating section of a rotating mechanism composed of itself and of the conveyer 55; and that the only difference between the cylinder C of the Liddell patent and that compound revolving mechanism of the defendant's machine, consists in the fact that that portion of the surface of the cylinder C of the Liddell patent which constitutes a folding bed has no oscillating motion, and simply revolves at uniform speed around the shaft of the cylinder; whereas the corresponding portion of the compound mechanism of the defendant's machine, not only revolves around a central shaft, but also oscillates toward that shaft and away therefrom, as it revolves. But this difference is great; because it necessitated a new environment for the Claussen conveyer and carriers, and introduced into the defendant's machine a mode of operation unknown to the Liddell patent and unknown to the art prior to the invention of the defendant's machine by Mr. Claussen. I therefore close my present explanation of the substantial difference between the rotating cylinder of the Liddell patent, on the one hand, and the conveyer 55 and the carrier 56 of the defendant's machine, on the other hand, by repeating my statement that those mechanisms are not only unlike in name, but they are also substantially different in construction, in environment and in mode of operation.

For these reasons, it is plain that the first division of the mechanism of each of those claims of the Liddell patent which are alleged to be infringed by the defendant's machine, is absent from that machine, and is not represented therein by any equivalent. And it is also plain that that absence is alone enough to negative the alleged infringement of those claims.

Another division of the mechanism called for by claims 1, 2, and 7 of the Liddell patent, is specified in each of them as "operating means for the forming plate, adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder, during the rotary movement of said cylinder."

Those operating means are shown in Fig. 3 of the middle column of defendant's drawing No. 8, Record, Vol. IV, p. 27, while that mechanism of the defendant's machine which is claimed by the complainant to correspond therewith, is shown in Fig. 3 of the third column of the same drawing. The pivot upon which the forward edge of the forming plate E of the Liddell patent oscillates, is that shaft upon which the gear N is shown to turn, in Fig. 3 of the middle column of defendant's drawing No. 8, while the pivot upon which the plate 82 of the defendant's machine oscillates, is that shaft upon which the gear 85 of Fig. 3 of the third column of defendant's drawing No. 8 is shown to turn in that figure. The fact that the pivot of the plate 82 of the defendant's machine is a stationary pivot, and the fact that the pivot of the plate E of the Liddell patent oscillates with the lower end of the arm F of that patent, are undisputed facts in the case. This necessary difference between those two pivots, resulted in the comparative simplicity of the mechanism of Fig. 3 of the third column of defendant's drawing No. 8, and in the comparative complexity of the mechanism of Fig. 3 of the second column of that

drawing; because, while it was a difficult problem to provide mechanism for bodily oscillating the pivot of the plate E of the Liddell patent and also oscillating that plate upon that pivot, and making both those oscillations harmonious with each other, and with the movement of the cylinder C, it was a simple problem to provide mechanism for simply causing the plate 82 of the defendant's machine to oscillate upon its stationary pivot.

These facts in respect of the mechanism of Fig. 3 of the middle column of defendant's drawing No. 8, and the mechanism of Fig. 3, of the third column of that drawing, show that those two mechanisms are not only widely unlike in structure and in operation, and widely unlike in the character of their respective parts; but also show that they are unlike in respect of their functions for the defendant's mechanism performs only one of the two functions required of the complainant's mechanism.

For these reasons, the fact is really undebatable that the mechanism of Fig. 3 of the middle column of defendant's drawing No. 8 is absent from the defendant's machine, and has no equivalent in that machine; because one mechanical device to be the equivalent of another must perform all the functions of that other by the same mode of operation. And it is also undeniable that this point is alone sufficient to negative the complainant's contention of infringement in this case; because that mechanism of Fig. 3 of the middle column of defendant's drawing No. 8 is an element of each of the three claims alleged to be infringed by the defendant's machine, and is made such an element by the fact that it is therein designated as one of the elements of each of those claims under the name of "operating means for the forming plate, adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder, during the rotary movement of said cylinder."

Section 5.

EXPERT TESTIMONY FOR NON-INFRINGEMENT.

The Continental expert, Stone, in his first deposition, after making an elaborate analytic comparison of the Liddell patent with the Walker Model Room Machine, Record, Vol. II, p. 1175, Q. 36, to p. 1195, Q. 60, was asked to compare all the self-opening square paper bag machines of the Continental Paper Bag Co., including the Walker Model Room Machine, on the one hand, with the Liddell patent on the other hand, and to state and set forth a comprehensive summing up of that comparison, Record, Vol. II, p. 1195, Q. 61.

In reply to that request, Mr. Stone made an answer occupying more than a page of the record, and concluded with the statement that all the defendant's machines complained of "constitute a combination which is substantially different as an entirety and in detail, and in construction, mode of operation and merit, from the combination of claim 1, claim 2 and claim 7 of the Liddell patent." Mr. Stone's replies to the first five questions in his first deposition, Record, Vol. II, p. 1119, to p. 1121, show him to have been properly qualified to give the expert testimony which he gave in reply to Question 61 of his deposition, as well as the more detailed testimony which he gave in reply to earlier questions, and to which he referred in the answer to that question.

I therefore properly invoke that testimony of Mr. Stone as legal evidence in this case, proving the existence of substantial difference in entirety and in detail, between the defendant's machinery, and the mechanism of the Liddell patent which is covered by the claims alleged to be infringed by the defendant's machinery.

That substantial difference between those mechanisms establishes non-infringement of the Liddell patent by the defendant's machines, because it establishes a lack of identity of means and also a lack of identity of operation, both of which identities were said by Chief Justice FULLER, for the Supreme Court in the Kokomo case to be necessary to constitute infringement of a secondary patent, 189 U. S., 24, 1903.

That substantial difference between those two mechanisms also establishes non-infringement of the Liddell patent by the defendant's machines in strict accordance with that rule of patent law which was formulated by Justice DAY in the Cimiotti case in the following language:

"Where the patent does not embody a primary invention, but only an improvement on the prior art, and the defendant's machines can be differentiated, the charge of infringement is not sustained." 198 U. S., 414, lines 19 to 22.

Section 6.

COMPARISONS BETWEEN THE FACTS IN THE CIMIOTTI CASE AND THIS LIDDELL CASE.

The complainant's counsel may perhaps try to escape from the doctrine stated by Justice DAY in the Cimiotti case, through an argument to the effect that his doctrine was not called for by the facts of that case and therefore is not to be taken seriously in this case. If so I shall respond by calling attention anew to the fact that the Day formulation, though new in language, is more than half a century old in substance, and is the same doctrine of primary and secondary patents which had before been stated and applied in eleven earlier cases, beginning in McCormick *v.* Talcott in 1857.

And in anticipation of such an argument from the complainant's counsel, I shall now show in this place that the facts of the Cimiotti case were remarkably like the facts in this case, though the differences between the complainant's patent and the defendant's machine in this case are more important and extensive than were the corresponding differences in that case.

In the Cimiotti case, there was a difference of absolute movement, between two opposite parts, in order that they might co-operate. One of those parts did the moving in one machine, and the other part did the moving in the other machine. In the paper bag machine case, the part above the paper, moves bodily toward and from the part below the paper, in the complainant's machine, while in the defendant's machine, the part below the paper moves bodily toward and from the part above the paper.

In the Cimiotti case, the Circuit Court of Appeals for the Second Circuit held this difference of absolute movement to be immaterial, because the *result* was the same; but the Supreme Court held it to be material, because the *mode of operation* was different. In the paper bag machine case, the complainant's counsel hold the same difference of absolute movement to be immaterial, because the *result* is the same; but the defendant's counsel hold it to be material because the *mode of operation* is different. This issue was the same in both cases. On one side of the issue, are the complainant's counsel and the Circuit Court of Appeals for the Second Circuit. On the other side of the issue, are the defendant's counsel and the Supreme Court of the United States. The Circuit Court of Appeals for the Second Circuit, and also the complainant's counsel in this case, overlooked that law which requires sameness of mode of operation as one element in infringement. But the defendant's counsel does not overlook that law, in arguing the paper bag machine

case. And the Supreme Court of the United States did not overlook that law in deciding the Cimiotti case. On the contrary, that court cited the earlier decision of the Supreme Court in the Kokomo case; in which earlier decision it was expressly said, and actually adjudicated, that "identity of *means* and identity of *operation* must be combined with identity of result to constitute infringement," 189 U. S., 24, lines 14 to 16.

Another difference between the Sutton machine and the defendant's machine, to which the Supreme Court called attention in the Cimiotti case, was treated as *sufficient* but not *necessary* to the decision; because the difference of mode of operation was treated as *alone* sufficient. This *second* difference consisted in the fact that, whereas the Sutton patent included "a stationary card E," among the elements of its claim 8; the defendant's machine substituted a compression bar for that card. The Supreme Court held that that compression bar was not an equivalent for that card; because it had no teeth to do any carding; though it did perform that function of the stationary card which consisted in holding down the fur before it was carried to the brush, 198 U. S., 415, last five lines and first six lines of page 416.

This *second* difference between the Sutton patent, and the defendant's unhairing machine, was similar to that difference between the Liddell patent and the defendant's paper bag machine, which consists in the fact that the "operating means for the forming plate" which constitute one element of each claim of the Liddell patent, is not present, nor represented by any equivalent, in the defendant's paper bag machine. This subject is explained, and this fact is shown, in those parts of this brief, which begin with line 22 from the bottom of page 101, and which end with page 102.

In those places, it is made to appear clear and undeniable that the mechanism in the defendant's paper bag machine, which is claimed to constitute an equivalent of those, "operating means," does not constitute such an equivalent; because it does not perform the same function of bodily oscillating a forming plate *with* its pivot, above the paper, relatively to a folding bed below the paper; though it does perform the other function of oscilliating a forming plate *upon* its pivot.

The facts of the Cimiotti case were indeed very much like the facts of this paper bag machine case; except that the Sutton unhairing machine was number 4 in the art to which it belonged, whereas the Liddell patent is number 20 in the art to which it belongs; and except that the Sutton machine had a long and very extensive commercial use, before the Sutton patent was litigated, whereas the Liddell machine never had any commercial use at all; and except that the mechanical differences between the Liddell patent and the defendant's paper bag machine, though the same in kind, are more striking and extensive in degree, than those differences between the Sutton patent and the defendant's unhairing machine, which were held by the Supreme Court to negative infringement in the unhairing case.

For these reasons, I respectfully submit the decision of the Supreme Court in the Cimiotti case, as fully applicable to the paper bag machine case, and as conclusive thereof, in favor of the defendant.

Section 7.

JUDGE PUTNAM IGNORED THE LAW OF PRIMARY AND SECONDARY PATENTS.

This court will naturally wish to be informed of the treatment which Judge Putnam gave to the law of pri-

mary patents and secondary patents, and to the numerous Supreme Court decisions which embody that law.

The first place in Judge Putnam's written opinion where this topic is touched is on page 1892 of Vol. II, of Record. The entire language used at that point is as follows:

"The respondent insists that the Liddell patent was the twentieth in the line of patents in this special branch of the art. This proposition, however, does not assist us, because, no matter how many may have preceded Liddell's, his is marked by a peculiar feature of novelty, which clearly distinguishes it from all that went before it."

This statement is equivalent to saying that, any patent which is not void for want of novelty, is to be construed without reference to the prior art, no matter how many patents preceded it on machines for doing the same work. But that is contrary to the Supreme Court decisions, on the subject of primary patents and secondary patents, from McCormick *v.* Talcott, in 1857, to the Cimiotti case in 1905.

Only one Federal judge appears, in any reported case, ever to have held any such view of the law as that embodied in the paragraph just quoted from the decision of Judge Putnam. That Judge was Justice Daniel of Virginia, who was an Associate Justice of the Supreme Court from 1840, till his death at the age of 76, in 1860. He wrote an elaborate opinion in 1857, in which he took the same ground as that expressed 48 years afterward, by Judge Putnam on this subject, in this case. After correctly saying that it was conceded that the patent then before the court was valid, Justice Daniel said that "this concession necessarily renders improper any and every comparison between that invention and previous claims to discovery and improvement, having in view the same results." But there is an obstacle in the way of whoever

would cite this opinion of Justice Daniel, as a precedent for the opinion of Judge Putnam. That obstacle resides in the fact that this opinion of Justice Daniel was a dissenting opinion, in the case of McCormick *v.* Talcott, and that it was expressly contrary to the opinion of the other eight Justices in that case, which opinion was written and delivered by Justice Grier, and has been recognized, for more than fifty years, as the first expression, in the decisions of the Supreme Court, of the law of primary patents and secondary patents.

The law of primary patents and secondary patents has now been stated and enforced in at least a dozen decisions of the Supreme Court of the United States, and at least a hundred decisions in many of the Circuit Courts of the United States, but not one of all those decisions is cited or even alluded to in the written opinion of Judge Putnam in this case; though eleven of the Supreme Court decisions were cited and explained in the brief which I submitted to his Honor at the time of the argument.

Instead of paying any respect to any of those decisions, Judge Putnam treated what my brief contained on the doctrine of primary patents and secondary patents, as if that doctrine had been newly invented by me, for the purposes of this case. Indeed, it was in immediate reference to what my brief contained on that doctrine, that the Judge said "It is difficult to see on what the defendant can base this proposition." Record, Vol. II, p. 1893, lines 27-28.

Judge Putnam's Doctrine of the "Hiatus."

It is in this connection that Judge Putnam touched for the second and last time upon the question of construing a patent in the light of the prior art; that is to say, on the subject of primary patents and secondary

patents. Speaking of the defendant corporation, he said: "It refers to nineteen preceding patents, as though they had some relation thereto. As we have said, there is such a hiatus between them, and what appears on the face of the Liddell patent, that they have no effect, either in narrowing or broadening the alleged Liddell invention." Record, Vol. II, page 1893, line 28.

The word "hiatus" is defined in the dictionaries as meaning the same as the word "gap." Now, gaps are of varying widths, and neither the word "gap" or the word "hiatus" necessarily signifies any particular or great extent of space between two things. But the judge uses the word "such" to indicate that the "hiatus" between the Liddell patent and the prior art, is wide enough, in his opinion, to prevent the prior art from having any effect to narrow the Liddell patent. Now, I wish permission to controvert that opinion, on each of the following grounds:

1. The "hiatus" between the Liddell patent and the prior art, is so narrow that it is barely wide enough to save the validity of that patent.

2. The "hiatus" between the patent which was narrowly construed in each of the two most recent and leading Supreme Court cases on this subject, and the prior art which occasioned that narrow construction, was wider than the "hiatus" between the Liddell patent and the art prior thereto.

3. The law of primary patents and secondary patents does not depend upon any particular narrowness of "hiatus" between the patent in suit and the prior art; for that law is applicable, wherever the *function* of the patent in suit was performed by some machine in the prior art, however different that patent may be in its *mechanism* from the mechanism of the prior art machine.

Now, I will establish these three propositions, in their order.

Small "Hiatus" in the Liddell Case.

The Liddell invention, as it is defined in the claims 1, 2 and 7 of the Liddell patent, differs but little from the prior art.

Taking claims 1, 2 and 7 of the Liddell patent literally, they can all be made to conform either to a particular patent in the prior art, or to the Liddell patent, by simply substituting, as the bed upon which the folding is performed, a reciprocating carrier for a rotating cylinder or *vice versa*.

Thus, the following claim, when read with the words bracketed in Italic letters, and without those bracketed in Roman, conforms literally to the Lorenz & Honiss patent No. 337,966, Continental Record, Vol. III, p. 126; but when it is read with the words bracketed in Roman letters, without those bracketed in Italic, it is exactly claim 1 of the Liddell patent:

"1. In a paper-bag machine, the combination of a [rotating cylinder *reciprocating carriage*] provided with one or more pairs of side-folding fingers adapted to be moved toward or from each other, a forming-plate also provided with side-forming fingers adapted to be moved toward or from each other, means for operating said fingers at definite times during the formative action upon the bag-tube, operating means for the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the [cylinder *carriage*] during the [rotary *reciprocating*] movement of said [cylinder *carriage*] the whole operating for the purpose of opening and forming the bottom of the bag tube, and means to move the bag-tube with the [cylinder *carriage*]."

But the idea of substituting a rotating cylindrical bed in place of a reciprocating flat bed for this operation, barely involved invention, because both forms of bed had previously been provided for this operation in this art. Thus, Lorenz & Honiss provided a reciprocating bed in their patent No. 337,966, and a cylinder bed in their patent No. 333,647. Record, Vol. III, p. 126 and 88. And Lorenz & Claussen stated in their patent 534,512, that reciprocating folding beds and rotating folding beds are interchangeable by mechanical skill. Record, Vol. III, p. 385, lines 28-34.

The prior art includes, not only these two Lorenz & Honiss patents, but seventeen other patents for doing exactly the same work as that which the Liddell patent purports to show a machine for doing. Those nineteen prior patents are composed of more than one hundred thousand words of specification and more than one hundred and fifty sheets of complicated drawings. I personally composed and wrote the specification of each of eight of the nineteen prior patents, and another one of them was granted to me as assignee of the inventors. The other ten patents are old acquaintances of mine.

On the argument of the case, before Judge Putnam, it was impossible for me to take time enough to explain all those patents to him. The most I could do in that direction was to tell him their function, and something of their respective constructions and modes of operation. That Judge is not skillful in reading complicated drawings without explanation. And for all these reasons combined he was, when he decided this case, only partly informed of the construction and mode of operation of the nineteen prior art patents in the record. Indeed, there are probably not more than nineteen men in the world who fully understand all those nineteen patents. The knowledge of Judge Putnam about those nineteen prior patents

being thus necessarily incomplete, it was not possible for him to know the width or the narrowness of the "hiatus" between them and the Liddell patent in suit. And the written opinion of Judge Putnam shows that he was seriously in error about the construction and mode of operation of several of those nineteen patents, on a point which relates directly to the extent of the "hiatus" between them and the Liddell patent.

One particular error now in view occurs in the last paragraph of page 1892 of Vol. II of Record. It permeates the following sentence, namely: "On this record, we must find that, unless anticipated by the Claussen patent, the machine shown in the Liddell patent is the first in which, in lieu of a reciprocating carrier, a rotating cylinder could be used advantageously as the bed on which the folding can be performed." The Claussen patent here referred to is not one of the nineteen, but is the one under which the defendant's machines were built, and which was not granted till after the Liddell patent was granted.

But Judge Putnam was quite in error in supposing that none of the nineteen prior patents shows a machine in which "a rotating cylinder could be advantageously used as the bed on which the folding can be performed." The fact is that more than a hundred machines in which a rotating cylinder was used as the only folding bed had been running commercially for more than five years, when the Liddell patent was applied for, and had made many million paper bags during that time, which were substantially identical with those which the Liddell patent purports to show a machine for helping to make. Those were the Stilwell machines, about some of which Mr. Lorenz testified, Record, Vol. II, p. 1084, Qs. 37 to 39; and which were built under the Stilwell patent, No. 407,794 of July 30, 1889.

That Stilwell patent occupies pages 190 to 243 of Vol. III, of the Record. The bed on which the folding is performed in that machine is the rotary folding bed marked K′. That rotating folding bed is provided with a pair of side-folding fingers, K^5, which are exactly like the side folding fingers of the Liddell patent, in location, in construction, in mode of operation, and in function. And that rotating cylinder also has the central forward finger E^a, which is exactly like the central forward finger c of the Liddell patent in location, construction and mode of operation; and is exactly like it in function, except that it releases its hold on the paper a very short fraction of a second sooner than does the finger c of the Liddell patent. It is true that the Stilwell patent calls its rotating folding bed a roller, whereas the Liddell patent calls its rotating folding bed a cylinder. This difference in name arose from the fact that the Liddell patent shows a cylinder large enough in circumference to have two folding beds on its periphery; whereas the Stilwell rotary folding bed is smaller in diameter, and has only one folding bed on its periphery. But each of the claims of the Liddell patent carefully refrains from confining itself to a cylinder large enough for two folding beds, by calling for "one or more pairs of side folding fingers," and one folding bed requires one pair of side folding fingers, and can use no more than one pair.

Three other, of the nineteen prior art patents, also show machines in which a rotating cylinder is used advantageously as the bed on which the folding is performed. These are the Lorenz & Honiss patent No. 333,647 of January 5, 1886; Record, Vol. III, pages 86 to 102. And the Stilwell patent No. 417,346 of December 17, 1889; Record, Vol. III, pages 290 to 309. And the Lorenz & Claussen patent No. 534,512, of February 19, 1895, Record, Vol. III, pages 374 to 387.

The "Hiatus" in the Kokomo Case.

In the Kokomo case, 189 U. S., 8, the patent which was narrowly construed by the Supreme Court was the Kitselman patent No. 356,322, for an improvement in wire fabric machines. The "hiatus" between it and the prior art was wide enough to cause the Circuit Court of Appeals for the Seventh Circuit to pronounce the result "revolutionary." 108 F. R., 657, line 18. The Kitselman machine was the first machine to build a wire mesh fence in the field. 108 F. R., 658, lines 27 to 36. The nearest approach in the prior art to the Kitselman patent was the Davisson patent No. 289,507, which patent was also owned by the complainant in the Kokomo case, but which patent described only a stationary machine for making wire mesh fencing in a factory. The drawings of the Davisson machine are represented on pages 633 and 634 of 108 F. R.; and the drawings of the Kitselman machine are represented on pages 637, 638 and 639 of the same volume. Judge Grosscup pronounced the Davisson machine to be a stationary machine on its belly, with all the clumsiness and inertness of the lower species; and held the Kitselman machine to be a machine moving on its feet, walking across a field, and building a wire mesh fence as it walked, with the easy going adaptability of the highest species. 108 F. R., 658. The difference between the two machines was like the difference between the stationary steam engine which Watt patented in 1782, and the steam automobile which Trevithick invented and run in 1801. There was a wide "hiatus" between the stationary engine of Watt and the carriage of Trevithick; and nearly as wide a one between the steam traveling wire mesh fence machine of Kitselman and the stationary wire mesh fence machine of Davisson. That "hiatus" in either case was much wider than any "hia-

tus" between the Liddell rotary folding bed paper bag machine patent, and the prior, and similar rotary folding bed paper bag machine patent of Stilwell, or than any "hiatus" between the Liddell patent, and several other prior patents on machines for doing exactly the same work. But the Supreme Court, though fully recognizing the existence of that "hiatus" in the Kokomo case, held the prior Davisson patent to so limit the Kitselman patent, as to negative the infringement of the latter, by those machines of the defendant which the Circuit Court of Appeals for the Seventh Circuit had held to infringe.

The "Hiatus" in the Cimiotti Case.

In the Cimiotti case, 198 U. S., 399, the patent which was narrowly construed as being a secondary patent was the Sutton patent No. 383,258, on a fur unhairing machine. There were only three machines in the prior art. Of these the nearest approach to the Sutton machine was the Covert machine in point of construction, and the Cimiotti machine in point of utility. The "hiatus" between the Covert machine and the Sutton machine is indicated by the fact that only two Covert machines were ever built, the first of which was broken up and the last of which was abandoned, 115 F. R., page 501, last paragraph, whereas the Sutton machine has been used for years unhairing about a million pelts each year. 108 F. R., page 84, lines 12 to 13. And the "hiatus" between the Cimiotti machine and the Sutton machine is shown by the fact that the former was a pneumatic machine, while the latter was purely mechanical in its construction and mode of operation. Nevertheless, the Supreme Court held those prior art machines to so limit the Sutton patent as to negative its infringement by the machines of

the defendant, though that court also held that the Sutton machine was a distinct step in the art and was a valuable invention.

Thus I have performed my promise to show that the "hiatus" between the patent which was narrowly construed in each of two very recent leading Supreme Court cases on this subject, and the prior art which occasioned that narrow construction, was much wider than the "hiatus" between the Liddell patent and the art prior thereto.

The Law of Primary and Secondary Patents is Not Dependent on Any "Hiatus."

I shall now show that the law of primary patents and secondary patents, does not depend on any special or particular narrowness of "hiatus" between the patent in suit and the prior art, for that law is fully applicable, wherever the *function* of the patent in suit was performed by some machine in the prior art, however different that patent may be in its *mechanism,* from the mechanism of the prior art machine.

This idea is not *expressed* in the McCormick case, nor in the Sayles case, though it is clearly implied in both. Its first expression, as far as I know, was in the third sentence of Section 359 of the First Edition of Walker on Patents, published in 1883. That sentence was the following: "A secondary invention is one which performs a function previously performed by some earlier invention, but which performs that function in a substantially different way from any that preceded it." The reason for selecting identity of function, with the prior art, as the test of the secondary character of an invention, resides in the fact that identity of construction must negative novelty, and prevent the second apparatus from being any invention whatever. And identity of mode of

operation must nearly always have the same effect in this behalf, as identity of construction. For this reason, the same words have been used in the same place to express the same idea, in all the four editions of Walker on Patents.

But the formula, which is quoted in the last paragraph from the text-book of 1883, passed into judicial adjudication in 1888. Thus Judge Jenkins, in that year, defined a secondary invention as "one which performs a function previously performed by some earlier invention, but performing that function in a substantially different way from any preceding invention." 36 F. R., 192, lines 10 to 12. And in 1901, Judge Shipman adopted the formula when delivering an opinion of the Circuit Court of Appeals for the Second Circuit. 108 F. R., 629, and in 1905, Judge Townsend did the same thing. 142 F. R., 476.

And the Supreme Court, though not using the particular words of the text-book, expressed and adjudicated the same idea in 1895, in the case of Dashiell *v.* Grosvenor, 162 U. S., 432.

Section 8.

COMPLAINANT'S TESTIMONY OF QUESTION OF INFRINGEMENT.

The charge of infringement of the Liddell patent by the defendant's machine now appears to be so unfounded, that the Justices may wonder what foundation the complainant put into the record, upon which to base any argument in support of that charge. And the Court may be surprised to learn that the record contains no foundation whatever for that charge, except the so-called expert testimony of one professional witness, who admitted that he had never invented or designed any paper bag machinery, and never took any part in building any paper

bag machine; and that he never (within the last fifteen or twenty years at least), had done anything in the presence of any paper bag machine, or model of any paper bag machine, for any other purpose than to prepare himself to testify in this case; and that he had never even visited any paper bag factory where paper bags like those which the Liddell patent purports to show how to manufacture, were being made for sale (except that possibly such bags were being made, without his knowledge, in a paper bag factory which he visited in Chicago, Illinois, ten years or more before he began his testimony in this case; or in another paper bag factory in Batavia, Illinois, which he visited fully fifteen years before that time); and that never before the beginning of his testimony in this case, had he even given any deposition in any patent case involving paper bag machinery, and that it would be hard to say to what extent in point of time he had ever given any consideration to the art of paper bag machines before he was employed as an expert in this case; Record, Vol. I, p. 59, X-Q. 20, to p. 61, X-Q. 34.

That professional witness whose testimony constitutes the only foundation, as above stated, of the complainant's case is Melville E. Dayton. He stated in reply to the first question put to him, that his age was upwards of sixty years, and that his residence was Washington, D. C., and that his occupation was that of mechanical expert, Record, Vol. I, p. 28, Q. 1.

The next question required him to state his general mechanical and scientific education and experience, and his special experience in connection with letters patent, and giving opinions and testimony in relation thereto. His answer to this question was elaborate, but it did not include any statement that he had ever progressed any further in mechanics than "learning the machinist's

trade." That answer did state that he had testified as a mechanical expert many times during each year for the last twenty-five years in hundreds of suits brought for infringement of letters patent; and that, during the last thirty years, he had prepared and prosecuted more than two thousand applications for patents relating to a great number of mechanical subjects.

Thus it appears that during the last quarter of a century or more, before Mr. Dayton testified in this case, he had solicited patents at the rate of about one for every four days, and that he had testified as an expert in patent cases at the rate of at least one case for every six weeks. Both those kinds of work consist mainly in talking, and making and handling drawings and specifications on paper; and though that may include a little inspection of machinery, they do not include any contribution toward contriving, making or using any machinery. Accordingly, the fact appears to be, that Mr. Dayton is not really a machinist at all, but is merely a "wordist," whose business consists in talking about machinery, to typewriter operators who laboriously put down his discourses on paper.

Mr. Dayton's first deposition in this case extends from p. 28 to p. 81 of Vol. I of the Record; and begins again on p. 97 and extends therefrom to p. 112 of that volume, making 68 pages in all in that deposition. His second and third depositions were taken continuously, and they constitute substantially one deposition, in reply to the defendant's evidence. That matter occupies Vol. I of the Record from p. 296 to p. 738, making 443 pages in that volume; and making up a total of 511 pages of Dayton depositions in the entire record.

Mr. Dayton's first testimony upon the question of infringement was given in answer to Q. 8 of his first deposition. That answer begins on p. 42 and extends to p.

53 of Vol. I of Record, and comprises more than five thousand words.

In the cross-examination which followed Mr. Dayton was shown copies of most of the prior patents in Vol. III, of the Transcript of Record, and was asked if he had ever carefully examined any of those patents. The complainant's counsel asked the defendant's counsel to state his object in asking the question. In response to this request, that object was fully set forth by defendant's counsel in an explanation which concluded with a statement that it is necessary to know whether the witness treated the Liddell patent as a primary patent, in the absence of any knowledge of the prior art, on the one hand, or whether, on the other hand, he was acquainted with the prior art, as it is shown in the prior patents, and gave his testimony in view of all those patents. Thereupon the complainant's counsel instructed the witness not to answer the question, and under that instruction the witness did decline to answer. Record, Vol. I, p. 58, X-Q. 18.

Defendant's counsel also asked Mr. Dayton whether it was outside of his knowledge that scores of paper bag machines made in close conformity to the Lorenz & Honiss patent No. 361,951 of April 26, 1887, had been running in the State of New York all the time for sixteen years, making paper bags identical with those which the Liddell patent purports to show how to help make; and also whether it was outside of his knowledge that hundreds of paper bag machines made in close conformity to the Stilwell patent No. 407,794 of July 30, 1889, had been running all the time in the United States for more than twelve years manufacturing paper bags identical with those which the Liddell patent purports to show how to help make; but complainant's counsel instructed the witness to refuse to answer these questions, and he did thereupon decline to answer either of them. Record, Vol. I, p. 61, X-Qs. 35 and 36.

These refusals of the witness to tell whether he had any knowledge of the prior art at the time that he undertook to construe the Liddell patent in his first deposition, must deprive that construction of any weight to which it might otherwise be entitled, and have the same effect upon that deposition, in respect of the question of infringement.

Mr. Dayton's final testimony upon the question of infringement is contained in his answer to Q. 262, and is printed on page 452 to page 482 inclusive, of Vol. I of the Record, and contains thirteen thousand words.

The first few thousand words of that answer down as far as line 10 of page 460, Vol. I of the Record, are confined to preliminary statements; such as that the Walker Model Room Machine is represented in Defendant's Drawing No. 11; and such as that Mr. Dayton had learned from Mr. Stone's deposition, that there was no difference existing among any of the self-opening square paper bag machines of the Continental Paper Bag Co. in respect of their relation or want of relation to the Liddell patent.

At the middle of page 460, Vol. I, of the Record, Mr. Dayton begins his final discussion of the question of infringement in this case, by saying that he finds nowhere in the defendant's testimony any contention that the defendant's machines do not contain the broad and general features and combinations of the Liddell patent, or that the defendant's machines do not respond to the generic terms of claims 1, 2 and 7 of the Liddell patent.

This statement does not negative the existence of such contentions in the testimony of the defendant's experts, and I shall soon show that such contentions are in that testimony, though Mr. Dayton did not find them there. But before proceeding to that disclosure, I now point out that this statement of Mr. Dayton furnishes a key to his

whole argument upon the subject of infringement, and that that key shows that argument to be unsound in point of law. This showing results from the fact that Mr. Dayton's statement implies that the question of infringement is to be decided upon a broad construction of the Liddell patent, and that that broad construction is to be derived from the generic terms of the claims 1, 2 and 7 of that patent. But it is our law that only primary patents are entitled to broad constructions responding to the generic terms of their claims; while the claims of secondary patents, however generic they may be in form, must be construed narrowly enough to be confined to the specific mechanisms which those patents describe and show. Few parts of the law of patents are more familiar to the bar than this distinction between the broad generic construction ascribable to primary patents, and the narrow specific construction ascribable to secondary patents. But Mr. Dayton ignores this distinction throughout all his depositions in this case, and everywhere treats claims 1, 2 and 7 of the Liddell patent as if they were generic claims entitled to the broadest construction that would be possible to them if the Liddell patent had been No. 1 instead of No. 20 in its particular part of the art to which it belongs.

Mr. Dayton's statement that he had not found in the testimony any contention "that the defendant's machines do not respond to the generic terms of the claims 1, 2 and 7 of the Liddell patent" was not based upon the absence of such contention from the testimony, because such contention is there.

The very first "generic term" of each of the three claims mentioned by Mr. Dayton is "a rotating cylinder." The defendant's expert, Stone, expressly contends in his testimony that the defendant's machines do not have any rotating cylinder. On the contrary, he tes-

tified that each one of the defendant's machines had a rotating conveyer with oscillating carriers and with side clips and front clips respectively; and that "the construction and mode of operation of those parts are substantially different, in entirety and in detail, from the construction and mode of operation of the cylinder and its appurtenances of the Liddell patent"; Record, Vol. II, p. 1195, Q. 61.

And the defendant's expert, Charles F. Smith, when on the stand as a witness for the complainant, expressly testified that none of the Continental paper bag machines agree with claims 1, 2 or 7 of the Liddell patent; Record, Vol. I, p. 93, X-Qs. 76 to 78. Mr. Smith was not asked to state wherein the Continental paper bag machines were out of conformity with the "terms" of claims 1, 2 and 7 of the Liddell patent; but his deposition furnishes information as to what his answer would have been to that question, if it had been put to him. That information consists in his repeated statement that the type of Continental paper bag machine about which he was testifying had a rotating frame and a swinging folding bed like that of the Claussen patent 598,497, and like that of the Claussen & Mortson patent 635,090; Record, Vol. I, p. 88, Q. 49, and p. 89, Q. 51, and p. 86, Q. 35, and p. 90, X-Qs. 64 and 65, and p. 93, X-Q. 75, and p. 95, X-Q. 85 to X-Q. 88. And Mr. Smith expressly testified that the mode of operation of the Continental paper bag machine and its consequent merits, cannot be accomplished in any machine which, like that of the Liddell patent, has its folding beds on the periphery of a cylinder, and moving around the axis of that cylinder at one unvarying distance therefrom; Record, Vol. I, p. 96, X-Q. 89. This testimony of Mr. Smith thus expressly sets forth that the Continental paper bag machines have no rotating cylinder, and that the mode of operation of those machines

could not be accomplished in any machine which had any rotating cylinder like that of the Liddell patent. Thus the absence of a rotating cylinder from the Continental paper bag machines is expressly asserted in the expert deposition of Mr. Stone, and also in the expert deposition of Mr. Smith; and both of these witnesses thereby testify in substance, that those machines do not respond to the generic terms of claims 1, 2 and 7 of the Liddell patent, for a rotating cylinder is the very first element of each of those claims.

I shall now show how fallaciously Mr. Dayton supported his statement that he did not find in the testimony any contention that the defendant's machines do not respond to the generic terms of claims 1, 2 and 7 of the Liddell patent. He began that proceeding by coupling that statement with the statement that he did not find in the testimony any contention that defendant's machines do not contain "the broad and general features and combinations" of the Liddell patent; Record, Vol. I, p. 460, lines 16 to 11 from the bottom. Those two statements were not synonymous; because a particular machine might contain "the broad and general features and combinations" of the Liddell patent, though not responding to the terms of the claims of that patent, for the terms of its claims might vary from its broad and general features and combinations, in being much narrower.

For this reason, it was necessary for Mr. Dayton to justify both parts of his composite statement; but instead of doing so, he proceeded from line 11 from the bottom of page 460 to line 13 from the bottom of page 470 of Vol. I, of the Record, to define what he understood to be the broad and general features and combinations of the Liddell patent. In framing those definitions, he did not conform to the terms of claims 1, 2 and 7 of that patent. Quite otherwise than thus conforming, he defined the

broad and general features and combinations of the patent in terms invented by himself, and stated that the defendant's witnesses did not deny that those definitions were applicable to the defendant's machine. From this platform raised by himself, he leaped, without any intervening step in his logic, to a conclusion which he stated as follows: "It thus appears that the defendant's contention is, not that the defendant's machines do not contain the invention of Liddell, as generically defined in claims 1, 2 and 7 of the Liddell patent in suit, but only that said invention is clothed in a different garb." Record, Vol. I, p. 461, last paragraph.

That fictitious statement of the defendant's contention, was not justified at all, by the preceding argument from which it purports on its face to have been derived. It was not justified by that argument, because that argument had not dealt with the invention of Liddell as defined in claims 1, 2 and 7 of the Liddell patent, but had dealt with certain definitions of that invention, which Mr. Dayton had himself contrived for the purposes of the litigation, and which are quite unlike any to be found in the claims of the Liddell patent. The first of those newly invented definitions of Mr. Dayton was treated by him as if it were a definition in claims 1, 2 and 7 of the Liddell patent. This definition was stated by Mr. Dayton, where, when speaking of the alleged non-denial of the defendant's experts that the defendant's machines respond to the generic terms of claims 1, 2 and 7 of the Liddell patent, he said: "For example, it is not denied that defendant's machine has a tucker plate having an axis of support external to and independent of a rotary bed structure, and remote from the creasing or working edge of said tucker plate." Record, Vol. I, p. 460, lines 11 to 8 from the bottom. This passage from Mr. Dayton's deposition amounts to an assertion that the terms

of claims 1, 2 and 7 of the Liddell patent include "a tucker plate having an axis of support external to and independent of a rotary bed structure, and remote from the creasing or working edge of said tucker plate." But that statement is fictitious, because neither claim 1, 2 or 7, or any other claim of the Liddell patent, or any part of the descriptive matter of that patent contains any such definition as that.

The fact is, that that definition was invented by Mr. Dayton himself, as the result of an ingenious attempt by him, to concert a form of language which could be made to appear to fit in a general way the forming plate of the Liddell patent, and also the tucker plate of the defendant's machine. To this end, what he did was virtually to make a list of the characteristics of the forming plate of the Liddell patent, and another list of the characteristics of the tucker plate of the defendant's machine, and then to cross out from both those lists all the particulars in which they disagreed, and then make a statement of the particulars in which he found them to agree, and then make a definition of the plate in terms of that statement; and then assert that that definition was the one to be found in the claims of the Liddell patent. And all this he virtually did in face of the fact that the terms of the claims of the Liddell patent in respect to the plate in question, are totally different from the terms of his newly invented definition of that plate.

The terms in which the forming plate of the Liddell patent are defined in claims 1, 2 and 7 of that patent are exactly alike in each of those claims, and exactly as follows: "a forming plate adapted to oscillate about its rear edge upon the surface of the cylinder." But Mr. Dayton's newly invented definition of that element of claims 1, 2 and 7 of the Liddell patent is as follows: "a tucker plate having an axis of support external to and inde-

pendent of a rotary bed structure, and remote from the creasing or working edge of said tucker plate." Record, Vol. I, p. 460, lines 10 to 8 from the bottom.

It was open to Mr. Dayton to tell the Court that the language just quoted from his deposition constituted his own definition of what he believed to be the essential character of the forming plate of the Liddell patent; but it was not right for him to virtually state that that definition conformed to the terms of the claims of that patent in respect to that plate. He did virtually tell that wrong story, and he followed it up, by similarly formulating his own definitions of other parts of what he calls the broad and general features and combinations of the Liddell patent, and he continued that work down as far as line 13 from the bottom of page 461 of Volume 1 of the Record. And from that laborious petifogging of the matter, he deduced the totally unwarranted conclusion that "defendant's contention is not that the defendant's machines do not contain the invention of Liddell, as generically defined in claims 1, 2 and 7 of the Liddell patent, but only that said invention is clothed in a different garb." Record, Vol. I, p. 461, line 6 from the bottom.

Time and space do not permit me to go through with the whole of Mr. Dayton's thirteen-thousand-word answer to Q. 262 of his last deposition, and point out all its errors of statement and fallacies of argument. The samples of both which I have thus far given are enough to condemn the whole answer. When that answer was finished, it was objected to, because it contains much matter assignable to no category other than opinions on questions of law, and much matter which is quite immaterial to all issues of the suit; and because it is substantially a partisan argument in favor of the complainant's contention on the subject of infringement, in which argument the complainant's case is idealized and beautified

out of conformity to the facts which compose it, and in which argument the defendant's case is distorted and misstated to suit the complainant's contention on the question of infringement.

Thus far I have presented to the Court the intrinsic mechanical facts and legal rules which belong to the question of infringement; and I feel sure that those inherent considerations abundantly sustain my contention of non-infringement. But I will add to my argument, some statements of surrounding circumstances which are proved in the record, and which powerfully and legitimately corroborate the correctness of that conclusion. Under this head I proceed as follows:

Section 9.

Res Gestae on the Question of Infringement.

The Eastern Paper Bag Company is the nominal complainant in this case; but all the stock of that corporation, except a very small number of shares, has been owned by the Union Bag & Paper Co. ever since about three years before Lucius G. Fisher, the President of the Union Bag & Paper Co., gave his deposition in this case, and which deposition was given in February, 1903; Record, Vol. II, p. 1340, Qs. 12 to 15. This ownership of most of the stock of the Eastern Paper Bag Co. therefore began as early as February, 1900, and it existed at the time this suit was brought October 11, 1901; Record, Vol. II, p. 1342, Q. 22. While the organization of the Eastern Paper Bag Co. was separate in February, 1903, its bills were partly paid by the Union Bag & Paper Co.; Record, Vol. II, p. 1341, Q. 20. Thus it appears that the Union Bag & Paper Co. is virtually the complainant in this case, and that the Eastern Paper Bag Co. is a mere subsidiary

corporation which constitutes the particular phase which the Union Bag & Paper Co. assumes for the purpose of prosecuting this suit.

The capital stock of the Union Bag & Paper Co. is twenty-seven million dollars; Record, Vol. II, p. 1340, Q. 11. The experts and mechanical engineers of the Union Bag & Paper Co. include William A. Lorenz, William H. Honiss, Edward E. Claussen, Charles B. Stilwell and Daniel Appel; Record, Vol. II, pp. 1343 to 1345, Qs. 25, 26, 29, 30 and 32.

Vol. III of the Record contains twenty-six patents, twenty-one of which show and describe mechanism for doing exactly the same work as that which the Liddell patent purports to show how to accomplish, and nineteen of which twenty-one patents antedate the Liddell patent, while two of them have dates later than it. Of these twenty-one patents, six represent joint inventions of Lorenz & Honiss, two represent joint inventions of Lorenz & Claussen, two represent joint inventions of Claussen & Mortson, two represent inventions of Stilwell, one represents an invention of Appel and one represents an invention of Claussen alone. Thus fourteen of the twenty-one patents were the productions of experts of the Union Bag & Paper Co. When those fourteen patents, on the one hand, are compared with the Liddell patent and with the seven patents produced by others than experts of the Union Bag & Paper Co., it will be seen that the fourteen patents comprise more than three-fourths of all the self-opening square paper bag machinery shown in Vol. III of the Record; and those patents when analyzed will convince any one that Lorenz, Honiss, Claussen, Stilwell and Appel are the most prolific of all the inventors and mechanical engineers who have ever devoted themselves to the production of self-opening square paper bag machinery, to do the same work that the Liddell patent purports to show how to do.

But though the Union Bag & Paper Co. had all of those high experts in its employment at the time the testimony in this case was taken, not one of those experts was put on the stand by the complainant to corroborate the testimony of the theoretical, professional witness, Mr. Dayton, on the question of infringement involved in this case. Three of the five experts of the Union Bag & Paper Co. were put on the stand by the defendant, but two of them declined to answer any questions relevant to similarities and differences between patents and machines, on the ground that they were employed by the Union Bag & Paper Co.; Record, Vol. II, p. 1074, Q. 5, and p. 1295, Q. 5; and the other one declined to answer inquiries into his expert knowledge of self-opening square paper bag machinery, when told by the complainant's counsel that he was not required, under the subpoena, to answer such questions; Record, Vol. II, p. 964, Q. 74, and page 969, Q. 98.

The failure of the complainant to take any expert testimony from any of its five exceptionally qualified paper bag machine experts, cannot be accounted for on the statement that those experts were not accustomed to testify as such in patent cases; for the complainant's expert, Lorenz, had been giving expert testimony in patent cases for twenty years; Record, Vol. II, p. 1073, Qs. 3 and 4; and the complainant's expert, Honiss, had been giving such testimony in quite a number of causes for about the same length of time; Record, Vol. II, p. 1294, Qs. 3 and 4. And though it does not appear in the record what experience the complainant's expert, Claussen, has had as an expert witness in patent cases, Judge Putnam found him to be a competent one. Record, Vol. II, p. 1896, line 16.

Nor can the absence of any deposition on behalf of the complainant from Lorenz, Honiss or Claussen be ac-

counted for on any statement that they had no such acquaintance with the Liddell patent and the defendant's machine as would enable them to explain their similarities and differences. Quite otherwise than this, Claussen showed in his deposition for the defendant that he had been acquainted with the Liddell patent from very soon after its issue; Record, Vol. II, p. 995, Q. 213; and that the defendant's machines were constructed after his own invention, and largely under his personal direction; Record, Vol. II, p. 1000, Q. 240. And the deposition of Mr. Dayton shows that Mr. Lorenz was so well acquainted with the issues in this case that he produced most of the drawings and other exhibits which were put in evidence in connection with Mr. Dayton's deposition. And though it does not appear in the record that Mr. Honiss was employed by the complainant to do anything in connection with this suit, it does appear in his deposition for the defendant that he was uncommonly competent to understand and expound any mechanical facts or questions in connection with self-opening square paper bag machinery which complainant might have presented to him for examination and exposition. Record, Vol. II, pp. 1293 to 1309.

Now it was a singular circumstance that the Union Bag & Paper Co., and its counsel controlling this litigation, omitted to take any testimony whatever in this case from any of its numerous paper bag machine experts; and instead of doing so, employed a professional theoretical witness from Washington, D. C., to swear the case through the record; although that witness had no practical knowledge whatever of any self-opening square paper bag machinery when he undertook that work, and acquired no such practical knowledge afterward, except what little he picked up from observation of the work of other men during the progress of the case.

This singular circumstance can be accounted for on no other ground than that none of the paper bag machine experts of the Union Bag & Paper Co. were able and willing to swear that the defendant's machines were so substantially like the Liddell patent as to constitute infringement thereof. Those machines are so undeniably unlike that patent in form, and in detail, that somebody had to be induced to swear that they were really similar thereto, and to thus swear in some such terms as could furnish some sort of foundation for an argument in favor of the complainant's contention on the question of infringement. No paper bag machine expert among those employed by the Union Bag & Paper Co. being ready to furnish any such testimony, there was nothing for the complainant's counsel to do but to hunt up some professional expert who would venture to undertake the job.

There are many professional mechanical experts in New York, and many others in Philadelphia, but the complainant seems not to have found one available for this purpose in either of those cities, and had to seek as far as Washington, in the District of Columbia, before securing a theorist and a wordist who could and would face and undertake the necessary work. And long before that work was completed, Mr. Dayton admitted that he had already received more than three thousand dollars therefor. Record, Vol. I, p. 589, first paragraph. These facts relevant to Mr. Dayton, relegate his statements from the domain of evidence, to the domain of argument on behalf of the side calling him. Ideal Stopper Co. *v.* Crown Cork & Seal Co., 131 F. R., p. 249, 1904.

Now no complainant so wealthy as the Union Bag & Paper Co., and no counsel so intelligent as Betts, Betts, Sheffield & Betts, would base so important a patent case as the one at bar, upon so slender a foundation as the argument of one theoretical professional expert, paid for

at so great a cost, if that complainant or those counsel could do any better, either by way of substitution or corroboration. The money and the motive for strengthening the complainant's case were both abundantly present in this case, but no stiffening or corroboration of Mr. Dayton's testimony on the question of infringement exists in the record. The absence of any such strengthening or corroboration, tends to show that none of the practical paper bag machine experts in the employ of the Union Bag & Paper Co. would furnish it, and that it could not be anywhere obtained.

Another set of surrounding circumstances tending to corroborate and fortify the correctness of the defendant's denial of infringement in this case, consists in those facts which relate to the history of the development of the defendant's machines out of the application for the Claussen patent No. 598,497, of February 8, 1898. That application was filed July 29, 1896, as Serial No. 600,861; Record, Vol. III, p. 493. In December, 1896, while that application was still pending, it was submitted by Mr. Claussen, together with four other pending applications for patents on self-opening square paper bag machines, and together with the application papers in one case which had been prepared, but which had not been filed in the Patent Office, to my professional examination, for the purpose of taking my written opinion upon the question whether a paper bag machine constructed in accordance with either of those six Claussen inventions, would infringe any unexpired letters patent of the United States. Thereupon I gave minutely careful detailed examination to all six sets of those Claussen application papers and drawings, in connection with all the United States paper bag machine patents which were issued during the years 1880 to 1896 inclusive, and which paper bag machine patents were 205 in number.

Having completed those examinations, I prepared, signed and furnished my written opinion of December 24, 1896, which, together with the list of the 205 paper bag machine patents for the years 1880 to 1896 inclusive, was offered in evidence by the complainant and is printed on pages 1407 to 1428, inclusive, of Vol. II of the Record.

That part of the Walker opinion which relates to the application No. 600,861 for the Claussen patent 598,497 is printed on pages 1411 to 1416, inclusive, of Vol. II of the Record. Speaking of the machine then set forth in that application, and which is now set forth in that patent, the Walker opinion states that no infringement of any patent by this Claussen machine can be claimed with any plausibility, except that some persons might think that it contains infringement of claims 2 and 4 of the Lorenz & Honiss patent No. 333,647 of Jan. 5, 1886, and of claim 4 of the Lorenz & Honiss patent No. 337,966 of March 16, 1886, and that after giving mature consideration to those patents, I had arrived at the conclusion that this Claussen machine does not infringe either of those claims. Record, Vol. II, p. 1413, lines 4 to 12 inclusive.

The Walker opinion does not particularly specify the Liddell patent 558,969 as being one of those which I found to be not infringed by the proposed Claussen machine of the Claussen application 600,861; but that opinion states that a thorough investigation of the question whether either of the Claussen machines, if constructed, sold or used after the year 1896, would infringe any claim of any living patent, must include an examination of all paper bag machine patents which had been granted in the United States since 1879; Record, Vol. II, p. 1408, line 8 from the bottom. And that opinion also stated that I had examined the drawings and specifications of the six applications for United States patents upon the six Claussen machines respectively, in connection with all

the paper bag machine patents which had been granted in the United States since 1879, and that a list of those patents was attached to the opinion; Record, Vol. II, p. 1409, lines 3 to 8 inclusive. This statement in the Walker opinion amounted to saying that the Claussen machine, of the Claussen application 600,861, would not infringe any patent of the list attached to the opinion, except possibly one or the other of two Lorenz & Honiss patents. Now in turning to the list of patents attached to the opinion, the Liddell patent 558,969, of April 28, 1896, will be found the sixth patent from the bottom of p. 1426 of Vol. II of the Record.

The Walker opinion attended to six sets of Claussen application papers, in connection with 205 unexpired patents. That opinion was not made long enough to compare each of those six sets of application papers, with each of those 205 patents separately, for that would have involved 1230 different detailed written explanations. Instead of writing so voluminous an opinion as that would have been, I separately treated the six sets of application papers, and treated each of those sets in connection with such of the 205 prior patents as most nearly related thereto; and thereupon I stated that I had examined all of the 205 patents and found that no machine constructed in accordance with either of the six sets of application papers would infringe any of the 205 patents. Inasmuch as the Liddell patent in suit is one of the 205 patents, the Walker opinion undoubtedly covered the statement that a machine built in accordance with the Claussen application 600,861 would not infringe that Liddell patent.

Mr. Claussen, in testifying about the history and results of the Walker opinion, stated that he knew that I had solicited a great number of patents for improvements on paper bags and paper bag machinery since 1884, and also was retained to carry on litigation for the

New York Paper Bag Machine Co. and that before I had furnished that opinion, Mr. Claussen spent four or five days with me diligently looking over all the unexpired patents on paper bag machines, and that those unexpired patents are specified in the list attached to the Walker opinion and are 205 in number, and include the Liddle patent No. 558,969; and that it was my opinion at that time that the machine of the Claussen application No. 600,861 would not infringe any of those 205 patents, and that Mr. Claussen, himself, agreed with my opinion on that subject; Record, Vol. II, p. 996, Q. 218 to Q. 228.

Mr. Claussen also testified that on Feb. 1, 1897, he began making working drawings for a machine in general conformity with his application No. 600,861, in pursuance of a contract which he had made with Mr. R. T. Spencer, as trustee, and that that machine was built by the Etna Machine Co. in Commerce Street, Hartford, Connecticut, and was completed soon enough to make bags on June 16, 1897; Record, Vol. II, p. 998, Q. 229 to Q. 233.

And Mr. Claussen also testified that the Spencer contract had appointed me as trustee to hold the patent which might be granted him on the application No. 600,-861 for Mr. Spencer and his associates, as one party and for Mr. Claussen as the other party, and that therefore the patent No. 598,497, which was issued in pursuance of that application, was granted by the United States to me, as trustee; but that Mr. Spencer and his associates forfeited their rights under the Spencer contract, and that in pursuance of that forfeiture I assigned the patent to Mr. Claussen about the spring of 1898; Record, Vol. II, p. 998, Q. 229 to Q. 237. The assignment by which the title to the Claussen patent 598,497 was thus conveyed by me to Mr. Claussen is printed on pages 1458 and 1459 of Volume II of the Record. That assignment was exe-

cuted by me Jan. 12, 1898, and it conveyed among other things the entire ownership and title in and to the inventions which were embodied and described or claimed in the Claussen application No. 600,861 of July 29, 1896. Although that assignment was executed a month before the Claussen patent 598,497 was granted in pursuance of that application; that assignment operated to convey to Mr. Claussen the legal title to that patent as soon as the patent was granted; so that in February, 1897, Mr. Claussen was the sole owner of the Claussen patent 598,497. And on May 26, 1898, he assigned that patent, together with five other Claussen patents, to Herman Elsas, of Manhattan, New York; Record, Vol. II, p. 1459. And Herman Elsas on June 16; 1899, assigned all six of those patents to the Continental Paper Bag Co., together with a seventh patent which had been granted May 2, 1899; Record, Vol. II, p. 1460.

Herman Elsas testified that he is the President of the Continental Paper Bag Co., and that that corporation was organized in 1899, mainly for the purpose of manufacturing self-opening square paper bags, and additionally for manufacturing and dealing in paper bags of various descriptions and also selling paper; Record, Vol. II, p. 1346, Qs. 1 to 5. Mr. Elsas also testified that in order to enable the Continental Paper Bag Co. to manufacture self-opening square paper bags, it had built fifty-nine machines in accordance with the general plan of the Claussen patent No. 598,497, and had contracted for a hundred and two more machines of the same kind; Record, Vol. II, p. 1348, Q. 13 to 15. Mr. Elsas also testified that before he or the Continental Paper Bag Co. had embarked in the business of making and using self-opening square paper bag machines on the general plan of the Claussen patent No. 598,497, Mr. Claussen submitted to him a "complete search" in regard to the patents which

had been issued on paper bag machinery, and which search had been made by Mr. Albert H. Walker, Record, Vol. II, p. 1349, Q. 16. Thereupon Mr. Elsas was shown Complainant's Exhibit, "Walker Opinion", and his attention was particularly called to that part of that document which begins with the line reading: "Serial No. 600,861", and which ends with the statement that Mr. Walker having found that the machine of the Claussen application No. 600,861 does not infringe any claim of any existing patent; he could think of no reason to fear that any manufacture, sale or use of such machines would ever be interfered with, when being conducted under the patent which would undoubtedly soon be granted upon that Claussen application No. 600,861. And Mr. Elsas recognized that document, and particularly that part of it, as being the "complete search" which had been made by Mr. Walker, and which was submitted to Mr. Elsas by Mr. Claussen as evidence that machines built on the general plan of the Claussen patent 598,497 would not infringe any prior patent; Record, Vol. II, p. 1349, Q. 17.

Thereupon Mr. Elsas was asked what influence, if any, the Walker opinion of December 24, 1896, had toward inducing Mr. Elsas to organize the Continental Paper Bag Co., and afterward toward inducing him as president of that company to undertake the business of making paper bag machines in general conformity to the plan of the Claussen patent, 598,497, and in using such machines in the manufacture of paper bags; to which inquiry Mr. Elsas responded by saying that: "With my knowledge that Mr. Albert H. Walker was considered a patent attorney of eminence regarding paper bag machines (with an experience of twenty years or more which he had with paper bag machinery) I fully concluded that it would be prudent for the Continental

Paper Bag Co. to undertake the construction of such machinery for the purpose of undertaking the manufacture of self-opening square paper bags;" Record, Vol. II, p. 1350, Q. 18.

Thus it is proved in the case, that the defendant's self-opening square paper bag machines complained of as infringements of the Liddell patent, were manufactured and used by the Continental Paper Bag Co. in firm reliance upon my professional opinion that those machines did not infringe any paper bag machine patent whatever.. And it also appears that that opinion covered the Liddell patent in suit, together with 204 other paper bag machine patents, and that it was formed by me in December, 1896, and was then formulated by me in the document which is now marked "Complainant's Exhibit Walker Opinion."

This history of the connection of the Continental Paper Bag Co. with the Claussen patent No. 598,497, and with the manufacture and use of one hundred and sixty-one paper bag machines under that patent, shows that the Continental Paper Bag Co. before engaging in that great undertaking, sought and secured the professional written opinion which had been furnished to Mr. Claussen by me upon the question whether those machines would infringe any patent whatever; and that their beginning and prosecution of that enterprise was based upon my written assurance in the negative of that question; and that that assurance was based upon a careful and detailed consideration of the subject, in the light of all the then existing paper bag machine patents, including the Liddell patent, and in the light of long professional acquaintance with patents, and patent law, and also with the paper bag machinery and paper bag machine patents.

These facts do not prove non-infringement of the Liddell patent by the defendant's paper bag machines;

but they do prove that the Continental Paper Bag Co. has conducted its doings, which are complained of in this suit, in good faith, on professional advice, that those doings do not constitute any infringement of that patent. Inasmuch as that advice was given, and given in writing, long before this suit was brought, and long before any fact occurred upon which this suit is based, and when I had no occasion to render an opinion of fact or argument to help a client with a case, it is apparent that the Walker opinion is entitled to credit, as at least a candid statement on the subject to which it relates.

The circumstances surrounding the giving of that Walker opinion were somewhat analogous to another opinion which was given by me to another client on another patent, in 1899, and which opinion was commented upon by Judge Morris in the case of the Crown Cork & Seal Co. *v.* The Ideal Stopper Co., 123 F. R., 667; and afterward also by the Circuit Court of Appeals for the Fourth Circuit, in the case of the Ideal Stopper Co. *v.* Crown Cork & Seal Co., 131 F. R., 248. In the last of those decisions, the Circuit Court of Appeals gave preponderating weight to my written opinion, as against the sworn testimony of professional experts in that case; on the ground that my opinion had been given under more disinterested circumstances than those which had attended the testimony of the experts. If the Supreme Court in this case decides to give more weight to "Complainant's Exhibit Walker Opinion", than to the testimony of Mr. Dayton, on the question whether the defendant's machines infringe the Liddell patent; that decision will be in line with the similar action of Judge Morris, and of the Circuit Court of Appeals for the Fourth Circuit.

Section 10.

CONCLUSION OF CHAPTER II.

I end my argument upon the question of infringement, by the following statement of propositions which I have established.

First.—The Liddell patent is No. 20, in its particular department of the general art to which it belongs; because nineteen prior patents showed and described nineteen combinations of machinery, for doing exactly the same work as that which the Liddell patent shows a twentieth combination of machinery for doing.

Second.—That combination of machinery which is specified in claims 1, 2 and 7 of the Liddell patent, is both analytically and synthetically very different from that combination of machinery, in the defendant's machines, which was held by the Circuit Court of Appeals for the First Circuit, to infringe those claims.

Third.—That decision cannot be affirmed by the Supreme Court, without reversing all of those twelve prior decisions in which, during fifty years, the Supreme Court has established enforced and formulated, as one of the patent laws of the United States, the rule that: "Where the patent does not embody a primary invention, but only an improvement on the prior art, and the defendant's machines can be differentiated, the charge of infringement is not sustained."

CHAPTER III.

Stare decisis, et non quieta movere.

The question discussed in this chapter, is the following:

"Are the decisions of the Supreme Court of the United States, on questions of law, binding on the inferior Federal courts in other cases, or are they only advisory therein?"

This question arises in this case; because the twelve decisions of the Supreme Court which are mentioned at the bottom of page 66 and the top of page 67 of this brief, were all treated by the Circuit Court of Appeals for the First Circuit as advisory only; and because the decision of this case by that court, on the question of the scope of the Liddell patent and its infringement by the defendant, was contrary to those Supreme Court decisions.

Counsel for the complainant in this case may say, and may attempt to argue, that that decision of the Circuit Court of Appeals in Boston, was not contrary to those twelve Supreme Court decisions; but Sections 3 and 4 of Chapter II of this brief, elaborately establish that fact of contrariety. And the fact of that contrariety is also indicated by the circumstance, that though my brief in the Circuit Court of Appeals contained an elaborate presentation of the law of primary and secondary patents, which was adjudicated in those twelve Supreme Court cases; and included citations of all twelve cases and analytic explanations of several of them; the written opinion of the Circuit Court of Appeals ignored all of them, and also ignored all the printed and oral arguments which I based upon them, in that tribunal.

Counsel for the complainant may possibly intimate that the ignoring by the Circuit Court of Appeals of all

my citations of cases, and printed and written arguments on the subject of primary and secondary patents, was due to those arguments being so clearly absurd, and those citations being so clearly inapplicable, that it was kinder to me to ignore them than to mention them. But it is now a quarter of a century too late for anybody to make such an intimation as that, relevant to my presentation of the law of primary and secondary patents. For my formulation of that law in Sections 359, 360, 361 and 362 of the first edition of Walker on Patents, has been generally adopted by Federal courts, and has been adjudicated in many cases during the last twenty-five years. One example of such an express judicial adoption of my well known exposition of the law of secondary and primary patents, is to be found in a decision of the Circuit Court of Appeals for Second Circuit, including the following definitions:

"A primary invention is one which performs a function never performed by any earlier invention. A secondary invention is one which performs a function previously performed, but in a substantially different way. Walker on Patents Sections 353, 359." Western Electric Co. *v.* Robertson, 142 F. R., 476, 1905.

Another recent example of substantial quotation, specific citation and adjudicated approval of my exposition of this part of the patent law, occurred in a decision of the Circuit Court of Appeals for the Fifth Circuit; wherein the law of primary patents and secondary patents was stated in terms substantially identical with those which I have always used. Central Foundry Co. *v.* Coughlin, 141 F. R., 94, 1905.

For these reasons, there seems no escape from the conclusion that the Circuit Court of Appeals for the First Circuit ignored my arguments and citations of authority relevant to the law of primary and secondary patents, because that tribunal did not agree with the Supreme Court

upon that subject, and did not feel bound by the twelve Supreme Court decisions which are based upon that law, but was restrained by considerations of courtesy, from expressly dissenting from those decisions in its written opinion. And this conclusion is supported in my own mind, by the fact which I feel justified in reporting to the Supreme Court, that I understood the presiding justice of the Circuit Court of Appeals to say from the Bench, during the argument of this case, that he did not believe in the doctrine of primary and secondary patents, which, when he made that remark, I had expounded in the course of my oral argument.

The action of the Circuit Court of Appeals for the First Circuit, in ignoring twelve decisions of the Supreme Court of the United States, and in ignoring a rule of law which is undeniably embodied in every one of those decisions, and is clearly stated and explained in several of them, does not furnish any foundation for any criticism upon the judicial honor of either of the judges of that inferior Federal court; because they doubtless followed their own judicial convictions in so doing.

But that action does distinctly raise the question whether the decisions of the Supreme Court of the United States, on questions of law, are binding on the inferior Federal Courts in other cases, or are only advisory therein.

And on that great question I submit the following citations and arguments.

The Emperor Justinian in the sixth century, united in his official functions, the supreme legislative, the supreme judicial and the supreme executive department, of the government of the Roman Empire. When exercising his legislative powers, he prescribed the character and scope of his judicial powers in the following law:

"Whenever the Emperor has judicially considered a case, and announced a decision to the parties who have appeared in the controversy, let all judges, without exception, within the imperial jurisdiction, know that this is the law, not only for the individual case in which it was rendered, but also in all like cases." *Codex repetitae pralectionis,* Liber I, Title XIV, 12.

If this rule of the Roman law has been inherited by us through the jurisprudence of England, or has otherwise come to exist in the Federal laws of the United States, it must be true that the decisions of the Supreme Court of the United States are binding on the inferior Federal courts in other cases.

So far as we have inherited our laws from or through modern nations, other than England, we have not received anything like the Justinian rule of the binding authority of supreme decisions. For in the modern systems of jurisprudence which prevail on the continent of Europe, the decision of one case has no binding force in any other court, or even in the same court, between new parties. Indeed, the Prussian code, which was intended by Frederick the Great, who promulgated it, to be a redaction of the *Gemeines Recht,* or common law of Germany, expressly authorized the Prussian courts to disregard all the decisions of each other.

But the Justinian rule relevant to the binding force of supreme judicial decisions was adopted in England, at least as early as the reign of Edward III, in the fourteenth century, and probably even earlier. And Blackstone in his Commentaries, written more than four centuries later, stated that the House of Peers was then the Supreme Court of judicature in the kingdom, and that

every subordinate tribunal must conform to the determinations of that court, "the law reposing an entire confidence in all of the noble persons who compose it, that they will make themselves masters of those questions upon which they undertake to decide; since upon their decisions all property must finally depend." Blackstone's Commentaries, Vol. III, Chapter IV, Section X.

It was this constitution of the supreme court of judicature in the United Kingdom of Great Britain, that was in existence at the time of the separation of the thirteen American colonies from the mother country, and at the time of our constitutional convention of 1787. That convention, the members of which must have been well acquainted with this point in the laws of Great Britain, inserted in the Constitution which it framed the following provision: "The judicial Power of the United States shall be vested in one Supreme Court, and in such inferior Courts as the Congress may from time to time ordain and establish." Article III, Section 1. And the use by the constitutional convention of the same words, "Supreme Court", which were used in the then extant and well known Commentaries of Blackstone, to designate the House of Peers, clearly implies that the members of the constitutional convention, intended those words to have the same meaning relevant to the judicial department of the government of the United States, that they were well known to have, relevant to the judicial department of the government of the United Kingdom. And that meaning expressly included the statement that every subordinate tribunal must conform its decisions to the decisions of the House of Peers. Thus, the presence in Section 1, of Article III, of the Constitution of the words "one Supreme Court" in connection with the

words "inferior courts", plainly implies that the framers of the Constitution meant to provide that the decisions of the Supreme Court on questions of law, should be binding on the inferior courts which Congress was authorized, by that section, to establish.

The Supreme Court of the United States has never, so far as I know or have been able to ascertain by searching, rendered any reported opinion upon the question whether its decisions on questions of law are binding on the inferior Federal courts in other cases, or are only advisory therein. In my reading of many thousands of pages in the United States Supreme Court reports, during more than thirty years, I have found only two sentences which appear to have been written when the writer was thinking of the subject of this chapter of this brief. Those sentences were written by Justice BREWER in 1906, in his dissenting opinion in the case of Burton *v.* the United States, 202 U. S., 397. They are the following: "This court has a supervising control of the lower Federal judicial tribunals. We are interested in seeing that full justice is done in all cases therein."

Although these two sentences are in a dissenting opinion, they are not inconsistent with anything stated in the opinion of the majority of the court, and therefore I feel justified in assuming that they really represent the opinion of all the justices who took part in the decision of the case of Burton *v.* United States, and who include all the present justices except Justice MOODY.

The first sentence of Justice BREWER does not necessarily imply that the decisions of the Supreme Court on questions of law, are binding on the inferior Federal courts in other cases; for that sentence may possibly be construed as meaning that the "supervising control" referred to therein, relates to the jurisdiction of the Su-

preme Court to review the decisions of the inferior Federal courts, one after another, as those decisions are brought before the Supreme Court, by appeal, writ of error, or writ of certiorari; and to reverse those which the Supreme Court finds to be erroneous. But the second sentence of Justice BREWER seems to imply that the decisions of the Supreme Court on questions of law are binding on the inferior Federal courts in all cases; because "full justice" cannot otherwise be done in *all* cases in the lower Federal judicial tribunals. The cases in which, in the absence of such binding power in the Supreme Court decisions, "full justice" would not always be done in the lower Federal courts, would include some cases in which no appeal lies from those courts to the Supreme Court, and would include some cases in which the delays and expenses incident to such appeals, would practically prevent the accomplishment of "full justice" thereby.

If the Supreme Court in this case, decides to announce that its decisions on questions of law are not binding on the inferior Federal courts, but are only advisory therein; such Supreme Court decisions will be sometimes disregarded by some judges of lower Federal courts, as the twelve decisions of this court on the law of primary and secondary patents were disregarded by the Circuit Court of Appeals for the First Circuit; though such Supreme Court decisions will probably be followed by more judges than disregard them. The resulting diversity of decision on questions of law, among the lower Federal courts, in the different parts of the United States, would constitute a great national misfortune; which will be entirely averted if the Supreme Court decides to announce in this case that its decisions on questions of law are binding on all the inferior Federal tribunals.

It is true, that the binding power of a Supreme Court decision, could not be made effective in a particular case pending in an inferior Federal tribunal, by means of a writ of *procedendo*, or a writ of mandamus, or any other writ known to English or American jurisprudence. But the Supreme Court is so strongly established in the judgment and in the affections of professional opinion and public opinion everywhere in the United States, that no inferior Federal tribunal would require anything more than a judicial announcement by the Supreme Court, in a litigated case, of the binding effect on all inferior courts of all its decisions on questions of law, to cause all such inferior courts to invariably conform their decisions on law points, to the prior decisions of the Supreme Court on the same points.

Speaking, as I think, for all the members of the Bar of the Supreme Court of the United States, I venture to say that the time seems to have come, and the occasion seems to have arisen, for the Supreme Court to announce that all its decisions on questions of law, are binding on all the inferior Federal courts in all cases. And if that announcement comes to be made in this case, it will surely be supported by the substantially unanimous public opinion which pervades all parts of a mighty nation, composed of nearly ninety millions of people.

Park Row Building,
Manhattan, New York.
March, 1908.

ALBERT H. WALKER.

IN THE

SUPREME COURT OF THE UNITED STATES

APRIL TERM,

CONTINENTAL PAPER BAG COMPANY,
PETITIONER,

vs.

EASTERN PAPER BAG COMPANY,
RESPONDENT.

No. 322.

Answering Brief for The Continental Company.

BY

ALBERT H. WALKER,

CONTINENTAL COUNSEL.

Supreme Court of the United States,

October Term 1907, No. 202.

Continental Paper Company,
Petitioner,

vs.

Eastern Paper Bag Company,
Respondent.

Answering Brief

For

The Continental Company.

The respondent's brief contains many errors of many kinds. Half a dozen of these were pointed out by me, within a few minutes after I first saw a copy of that brief, and were corrected with a pen by the respondent's counsel, in the twenty-five copies which were sent to the clerk of the court.

I shall not undertake, in this answering brief, to point out all the errors which I have discovered in the respondent's brief during my examination of its 171 pages; for those errors are too numerous and too various to be manageable in any answering brief of moderate length.

But some of those errors are too flagrant and too important to be left unexposed and unanswered; and therefore I proceed to that work as follows. In this brief, I shall designate the respondent's brief as the Eastern brief, and I shall designate the original brief for the petitioner, as the Continental brief.

First.—The Eastern brief, on many different pages, endeavors to make the court believe that the Continental machines were all built with full knowledge that they were covered by the claims of the Liddell patent, and that this knowledge was always shared by Mr. Claussen, the constructor of the Continental machines, and by Mr. Elsas, the president of the Continental Company, and by me as attorney, first of Mr. Claussen, and afterward of the Continental Company. The first and second of those objectionable pages, are pages 1 and 2 of the Eastern brief, in each of which it is stated that the Continental doings constituted *deliberate* infringement of the Liddell patent. The third of these pages is page 21 of the Eastern brief, wherein it is stated that "The petitioner has based its business in making paper bags, upon its *deliberate* appropriation of Liddell's invention."

The fourth of these statements comprises the whole of the sentence which begins at line two from the bottom of page 109, and ends in line seven of page 110 of the Eastern brief, and which sentence is as follows:

"This fact is shown in this case by Mr. Walker's opinion of December 24, 1896, where, in reporting on the Claussen application, practically the petitioner's infringing machine, he states that, although in his opinion this Claussen modification of the Liddell machine does not infringe upon any of the prior patents which he had examined, and of which he appends a list to his opinion, yet the Liddell patent, here in suit, presents a dangerous proposition in respect to infringement thereof."

The fifth statement of the Eastern brief on this subject is on page 115 and is as follows:

"It further appears that under date of December 24, 1896, Mr. Walker, the counsel for the petitioner, rendered an opinion on Claussen's Patents and then pending patent applications (R. Vol. 2, p. 1407, *et seq.*) in which, in the portion printed on page 1417, he expressly calls attention to the Liddell Patents, including the one in suit, noting the probability of a suit for infringement of the Liddell Patent in case a Claussen machine is built without authority from the patentee, and it appears that this opinion was brought to the attention of the responsible promoters and officers of the petitioner, prior to its purchase of the Claussen Patents, and prior to the time of construction of the Claussen machines, as is shown in Mr. Walker's letters to Elsas (see Elsas Exhibit No. 6, bottom page 1448, and Elsas Exhibit No. 8, top of page 1451).

The sixth statement of the Eastern brief upon this subject is on page 116, and is as follows:

"The admission of Claussen, the opinion of Walker, and the correspondence with Elsas, show that the effective embodiment of Liddell's invention in the Claussen machine has been recognized from the first, and this infringement has progressed, from the construction of the first to that of the last infringing machines, without justification other than to be derived from Mr. Walker's opinion, which, considered in connection with the machine of the Liddell Patent, is simply to the effect that the Liddell Patent might be evaded and the Liddell invention stolen and appropriated, by the simple expedient of inverting the relative movements of the forming-plate pivot and the folding bed, without in the least changing their co-operative combination with each other."

THE TRUTH is, that the idea that anybody ever thought or would ever think that the Continental machines infringe the Liddell patent in suit, never crossed my mind, until I read the Bill of Complaint in this case, after it was filed in October, 1901; and I feel very sure, from my intimate acquaintance with Mr. Claussen and Mr. Elsas, that no such idea ever crossed the mind of either of them, until they learned from me the purport of that Bill of Complaint, or otherwise heard of this suit.

This *truth* is so flatly contradictory to the statements of the Eastern brief on this subject, that it is necessary for me to show, from the Record, precisely how those statements in the Eastern brief are contrary to the evidence; which I will now proceed to do, as concisely as possible.

The first three statements in the Eastern brief upon this subject are mere assertions, which must fall with the others.

The fourth statement is to the effect that the Walker opinion of December 24, 1896, states that although in my opinion the Claussen application on the petitioner's machine does not infringe on any of the prior patents which I had examined, it does present a dangerous proposition in respect of infringement of the Liddell patent in suit.

This statement in the Eastern brief is fictitious, because "the Claussen application" which I referred to in that part of my opinion of December 24, 1896, which mentioned the Liddell patent here in suit, was not the, or a, or any Claussen application on practically the petitioner's machine, but was a totally different application on a totally different machine. That totally different application was serial No. 606,348, which was filed September 19, 1896, and which resulted in the Claussen patent No. 587,929 of August 10, 1897. No copy of that patent or of that application is contained in the record

in this case, and nobody ever built a machine in accordance with that patent, and no suit was ever brought against anybody under any Liddell patent on account of any such machine. That part of the Walker opinion which refers to that particular Claussen invention, begins at line 8 from the bottom of page 1416, and ends at line 15 from the top of page 1418 of Vol. II of the Record. The third paragraph of that part of that opinion states that "The plan of this machine is substantially unlike that of any prior patent, except the patents to Liddell, No. 558,969 of April 28, 1896, and No. 564,288 of July 21, 1896. And this machine is unlike those patents to so considerable an extent, as to fully justify the issuance of a valid and valuable patent thereon. After such a patent is granted, and whenever a machine is made, sold or used, in accordance therewith, it is possible that the owner of the Liddell patents will contend that machine to be an infringement of one or both of those patents. And there will be some force in such a contention as to some of those claims; though in my opinion, no such contention can ultimately prevail in court."

The principal fault with the fourth statement (page 110), of the Eastern brief on this subject, resides in the fact that the authors of that brief took a statement out of the Walker opinion relevant to a proposed Claussen machine which nobody ever built, and told the court that that statement referred to the entirely different one hundred and sixty-one machines of the defendant. There never was any excuse for this fiction, because it is plainly stated on the face of that Claussen patent under which both sides agree the defendant's machines were built, that the application for that patent was filed July 29, 1896, and was Serial No. 600,861, Record, Vol. III, p. 493; and because it plainly appears in the Walker opinion that those paragraphs of that opinion which relate to that

Claussen machine are headed "Serial No. 600,861" and begin near the top of page 1411 and end near the bottom of page 1416 of Vol. II of the Record; and because it also plainly appears in the Walker opinion, that the only part of that opinion which specifies any Liddell patent as having any relevancy to any Claussen invention, machine, or application or patent, are those paragraphs which are headed "Serial No. 606,348, and begin near the bottom of page 1416 and end at the middle of page 1418 of Vol. II of the Record.

Moreover the apprehension which I felt, if anybody were to construct a machine in accordance with the Claussen application No. 606,348, that machine might perhaps be complained of as infringing one or the other of the two Liddell patents which I mentioned, was based almost entirely upon the Liddell patent No. 564,288 of July 21, 1896, no copy of which patent is in the record in this case.

At the argument of this case I shall present to this court official copies of that Liddell patent No. 564,288 of July 21, 1896, and official copies of that Claussen patent No. 587,929 of August 10, 1897; and I shall thereby show to the court that neither of those patents presents a machine which has any similarity to the Claussen patent under which the defendant's one hundred and sixty-one machines were built. And that showing will corroborate the fact that the Eastern brief is totally fictitious on page 110, in ascribing to the Walker opinion of December 24, 1896, any such statement as that "practically the petitioner's machine" "presents a dangerous proposition in respect to infringement of the Liddell patent here in suit."

The fifth statement (that on page 115) of the Eastern brief on this subject correctly refers to page 1417 of Vol. II of the Record, as the place where the Walker opinion calls attention to the Liddell patents, including the one in suit. But that statement falsely implies that that opinion noted the probability of a suit for infringement of any Liddell patent in case such a Claussen machine is built without authority from the patentee, as the one hundred and sixty-one machines which have been built by the Continental Company. The plain truth is apparent upon the face of the Walker opinion that the probability there noted, did not refer to any such machines as those one hundred and sixty-one which the defendant has built in accordance with the Claussen application No. 600,861, but did refer only to such machines as might be built in accordance with the Claussen application No. 606,348. Nobody ever did build any machine in accordance with the Claussen application No. 606,348, and it was very wrong for the authors of the Eastern brief to try to make the Supreme Court believe, that the warning which I wrote relevant to that application, was written relevant to the application No. 600,861, under which the defendant's machines were built.

That paragraph on page 116 of the Eastern brief which relates to this subject states that "The admission of Claussen, the opinion of Walker, and the correspondence with Elsas, show that the effective embodiment of Liddell's invention in the Claussen machine, has been recognized from the first." I have already shown that "The opinion of Walker" is totally destitute of foundation for this charge; and I now state that Claussen never made any such admission as is implied in this paragraph of the Eastern brief, and never made any admission relevant to the Liddell patent or the Liddell invention, except that he saw a copy of that patent soon after it was

issued, but he coupled that admission with the statement that he was not influenced in any way by the Liddell patent in making the drawings for his own application No. 600,861. Record, Vol. II, p. 995, Q. 215.

The "correspondence with Elsas", which is referred to in this paragraph of the Eastern brief on page 116, is said on page 115 to comprise Elsas Exhibit No. 6 and Elsas Exhibit No. 8. Those two exhibits are letters written by me to Mr. Elsas February 18 and February 21, 1898, respectively. Those two letters have no relevancy to this subject, except that they imply that Mr. Elsas had seen a copy of my opinion of December 24, 1896. But inasmuch as that opinion is totally destitute of any suggestion that anybody ever would or could think that the machines which he then contemplated building and which his company afterward did build, and which are defendant's machines in this suit, would infringe any Liddell patent, it is perfectly plain that the "correspondence with Elsas" is as destitute as all other portions of the record, of foundation for the statement that "The effective embodiment of Liddell's invention in the Claussen machine has been recognized from the first."

The statement on page 126 of the Eastern brief is totally fictitious in saying that "The defendant company have in designing, perfecting and completing these machines, gone ahead with full knowledge of the fact that the claims of the Liddell patent are drawn so as to cover the petitioner's machines." The only grounds upon which that statement is based are the Walker opinion of December, 1896, and the correspondence with Elsas. But I have already shown that the correspondence with Elsas amounts to no more than the implication that Elsas had read the Walker opinion; and I have already shown that the Walker opinion in stating that somebody might possibly claim that a proposed Claussen

machine would infringe one or the other of the two Liddell patents, referred to a totally different machine from that which the defendant constructed and used. And I now call attention to that part of the Walker opinion which does relate to the defendant's machines (Record, Vol. II, p. 1411, line 3, to p. 1416, line 27), and I again state what I elaborately showed on pages 135 and 136 of the Continental Brief, that that part of the Walker opinion, covered the positive and unqualified statement that a machine built in accordance with the Claussen application No. 600,861, would not infringe any Liddell patent.

I have thus demonstrated, beyond the slightest question, that the elaborate and repeated charge in the Eastern brief, to the effect that the business of making and using the petitioner's machines was begun and carried on by the Continental Company in deliberate and intentional infringement of the Liddell patent, is not only totally unfounded in the Record, but is absolutely contrary to the Record.

In the numerous briefs which I have written for many cases in many courts during many years, I have carefully avoided inserting any statement outside of the Record; except such scientific and historical statements, and statements of fact of which courts will take judicial notice, as never have been criticised by any court, as unsuitable. But the conduct of the counsel for the Eastern Company in falsely trying to make the Supreme Court believe that I have for many years been participating with Mr. Claussen and the Continental Company in willful and intentional infringement of the Liddell patent in suit, has sorely tempted me to insert in this brief a statement of material fact which is not in the Record, because it did not come to my knowledge until long after the Record was made up, and indeed after the case was decided in the Circuit Court. That statement of material fact came to me directly from the opposite side of the case, and is undoubtedly true and is

clearly material. I almost ache to print the story, and there is no reason why I should not, except that it is not in the Record. For that reason, I will resist the temptation to print the facts, but I may be stung into telling them on the hearing, if the Eastern counsel do not reform their ways, and refrain from such fictions as that which I have exposed under this division of my present brief.

SECOND.—The Eastern brief twice states that the Liddell machine was so novel that it did not infringe any earlier patent (p. 82, line 13; p. 153, line 18), and once states that that was Claussen's expert judgment (p. 114, lines 11-12). But Claussen never said any such thing. He was not so foolish; for he had helped to make the drawings of two prior patents, which were plainly infringed by the Liddell machine, or rather would have been thus infringed, if even one Liddell machine had been built before those patents expired early in 1903. Those two patents were the Lorenz and Honiss patents 333,647, of January 5, 1886, and 337,966 of March 16, 1886. Record, Vol. III, p. 86-104, and 120-129. The Liddell machine would infringe the first of these patents, because of its rotating cylinder provided with box folding mechanisms in the form of side folding fingers, and it would infringe the second of these patents, because of its forming plate, provided with side forming fingers, and also with a finger moving with the forming plate, for receiving the upper sheet of the paper tube and lifting it during the formative action. These are the two Lorenz and Honiss patents which are shown on pages 64 to 66 of the Continental Brief, to contain all that is combined in the Liddell machine, except only, the Liddell "operating means for the forming plate." The Liddell machine, if built before those patents expired would have infringed them both, and particularly

claim 1, of the first of them, and claim 4 of the second of them, and no expert or other witness in the case ever said or intimated anything to the contrary. In stating otherwise in the Eastern brief, counsel wrote unadvisedly. They wrote at random. They were guided by a wish; but not a pious wish. They wished to win.

THIRD.—The Eastern brief devotes four paragraphs to what it calls a "Brief Summary of Liddell's Invention" (pp. 83-85), and implies that the elements thus summarized were substantially novel with Liddell. But the first of those paragraphs exactly describes a combination of passive elements, all but one old finger of which are shown in the Lorenz & Honiss patent, 333,647, Record, Vol. III, p. 88. And the second of those paragraphs exactly describes a combination of active elements all of which are shown in the Lorenz & Honiss patent 337,966, Record, Vol. III, p. 126. And the third of those paragraphs exactly describes a distinctive feature of the Lorenz & Honiss patent 337,966, except that it implies a plurality of folding beds, which the Liddell patent itself does not call for in its claims. And the fourth of these paragraphs nearly fits the forming plate of the Lorenz & Honiss patent, 337,966, except in one word, which has no relevancy to any forming plate, but refers to another part of the machine.

FOURTH.—The Eastern brief states that the defense of alleged inoperativeness of the Liddell machine was the one most relied upon in the answer (page 94, paragraph 2). This is not true at all, and neither the Continental expert Stone, nor myself, its attorney, ever took that ground in testimony or argument.

FIFTH.—That paragraph of the Eastern brief which occupies the bottom of its page 117 and the top of its page 118, is fictitious in every one of its statements.

SIXTH.—That paragraph of the Eastern brief which is lettered "C" on page 134 is fictitious in every statement and every implication.

SEVENTH.—The Eastern brief states that the Continental Company "alleges that the patent is limited to what is actually shown in the drawings thereof", p. 4, lines 10 and 11. This is not a true statement of any position which the Continental Company takes or ever did take. Indeed the Continental Company admitted, in the Circuit Court and in the Circuit Court of Appeals that the "Complainant's Exhibit, Operative Machine of the Liddell Patent in suit" which Mr. Lorenz built in 1903, is within the limits of the Liddell patent, although it is out of conformity with the drawings of that patent in many particulars. Indeed the variations between that Liddell machine and the drawings of the Liddell patent are so numerous and considerable, that no man can state and explain them in as few as a thousand words of condensed and concise language. No machine made in strict conformity to what is actually shown in the drawings of the Liddell patent, could ever perform any useful function in the manufacture of paper bags, or any other useful function. In the middle paragraph of page 4 of Vol. II of the record, the defendant's answer truly states that "no mechanic of ordinary skill in the art of paper bag machinery, could make a paper bag machine with the aid of the specification and drawing of the said Liddell letters patent, No. 558,969, and make that machine work usefully." The only machine that ever was built under the Liddell patent is the machine which Lorenz built in

where the court said that "In this court we are concluded by the findings of fact made in *a state court* in a suit in equity, as well as in an action at law." But the findings of fact in this case were not made in any state court, but were made in inferior Federal courts, and this court has always reviewed actions in equity brought to it by appeal from inferior Federal courts in all their issues, including issues of fact as well as issues of law. I personally remember hearing Justice MILLER make this remark from the Supreme Court Bench thirty years ago, and I have myself read and analyzed all of the numerous equity patent cases wherein, before and since that time, this court has reviewed the decision of the inferior Federal courts on questions of fact, and in many of which it has reversed those decisions.

The statement that the Circuit Court and Circuit Court of Appeals "found as a matter of fact, on the evidence, that petitioner's machine could not be differentiated from that covered by the claims in suit" does not correspond with any language in the decision of either of those courts, and amounts to no more than saying that those courts construed the claims in suit broadly enough to make them cover the Continental machine. But neither the Circuit Court nor the Circuit Court of Appeals took any such ground as that the Continental machine could not be "differentiated" from the machine of the Liddell patent; or any such ground as that the Continental machine cannot be differentiated from the improved and operative machine, which Lorenz constructed under the Liddell patent.

NINTH.—The Eastern brief states that "we have the admission of the petitioner's expert, Mr. Stone, to the effect that the Liddell movement being known, there would be no invention required in changing it to the form found

in the petitioner's machine", p. 149, lines 23 to 26. This statement is not supported by any citation of any particular part of Mr. Stone's testimony; and no such statement is made in any other part of the Eastern brief. It is within my personal knowledge that Mr. Stone never made any such admission in his testimony in this case; and he informs me that he never made any such admission anywhere.

TENTH.—The Eastern brief, in order not to defy the decisions of this court in the Kokomo case and in the Cimiotti case, takes, and was compelled to take, the ground that the defendant's machines cannot be "differentiated" from the Liddell machine. But that contention is flagrantly inconsistent with the fact that the Eastern expert, Mr. Dayton, put five hundred and eleven pages of printed testimony into the Record, of which more than three hundred pages, and more than one hundred thousand words, were devoted to trying to explain away some of the undeniable differences which exist between the defendant's machine and the Liddell machine. If the two machines had been so nearly alike that they could not be differentiated, it would have been absurd to take a hundred thousand words of expert testimony to prove that fact.

The Eastern brief contains five sections which are consecutively lettered, A, B, C, D, and E, and which are devoted to stating some of the differences which exist between the Continental machine and the Liddell machine, pp. 134 to 137. That difference which is attended to in the paragraph lettered A, is said therein to be a mere inferiority without substantial difference; but in another part of the Eastern brief it is stated, in respect of that difference, that the Continental Company was "driven thereto by the necessities incident to its use of pivoted folding-beds" (p. 98, last line, and p. 99, first

line), which being interpreted, means that the supporting axis of the Continental forming-plate had to be near its center instead of its remote end, in order to make that plate co-operate with the pivoted folding-beds in the Continental machine, whereas the Liddell machine having no pivoted folding-bed, required to have the supporting axis of its forming-plate at its remote end.

That difference between the Continental machine and the Liddell machine which is specified in the paragraph lettered B, is not a difference that I have ever thought or said was important; and its insertion in the Eastern brief could have had no motive except to impress the court with the idea that it was typical of the differences which I have insisted upon.

The differences between the Continental machine and the Liddell machine which are attended to in the paragraph lettered C, are very important, and involve much more than is stated or is hinted at in that paragraph. They are explained on pages 97 to 101 of the Continental Brief.

The differences attended to in the paragraph lettered D, are not among those mentioned in the Continental brief, and are not invoked by me as material differences.

The differences which are alluded to without being explained in the paragraph lettered E, are very important. The first sentence of that paragraph is the reverse of being true in stating that "Petitioner's operating means for the forming plate is more complicated than the respondent's." The "Petitioner's means for operating the forming plate" are clearly and completely shown in Fig. 3 of the third column of defendant's drawing No. 8, Vol. IV, p. 27, and the respondent's means for operating the forming plate are completely and clearly shown in Fig. 3 of the middle column of the same drawing. A comparison of those two figures, side by side, will

show that the petitioner's operating means consist of one revolving cam, and one pivoted arm having a segmental gear at its moving end, and of one revolving gear operated by that arm, being three parts in all; whereas the respondent's operating means comprise two cams, two rods, three arms, and five gears and a spring, being thirteen parts in all. This much greater complexity of the respondent's operating means, was necessitated by the fact that the axis of its gear N must not only oscillate upon its own center, but must also bodily oscillate up and down, whereas the corresponding axis of the gear 85 of the petitioner's operating means, oscillates only upon its own center, and must not have any other oscillation.

The "operating means for the forming plate" which are shown in Fig. 3 of the middle column of defendant's drawing No. 8, comprise the whole of what was introduced into the art of paper bag machinery, by the Liddell patent. The Continental machine does not contain anything which corresponds in the slightest degree with the mechanism of Fig. 3 of the middle columns of defendant's drawing No. 8, other than what is shown in Fig. 3 of the third column of the same drawing. And what is shown in Fig. 3 of the third column of defendant's drawing No. 8, is not an equivalent of what is shown in Fig. 3 of the middle column of that drawing, because it performs only one of the two functions of the latter, and because it does not perform that one function in substantially the same way, and because the construction and mode of operation of the mechanism of Fig. 3 of the third column of that drawing are all unlike the construction and mode of operation of the mechanism of Fig. 3 of the middle column of that drawing. Any man who can look at those two figures, and can understand them, and can say that they cannot be differentiated from each other, is capable of saying anything which may seem to him to

suit his present purpose, no matter how untrue and absurd it may be. Inasmuch as the mechanism shown in Fig. 3 of the middle column of defendant's drawing No. 8, is the only mechanism which was introduced into the art of paper bag machinery by the Liddell patent, and is the distinctive and controlling part of the Liddell machine; and inasmuch as nothing in the defendant's machine has the slightest correspondence with that mechanism, except what is shown in Fig. 3 of the third column of defendant's drawing No. 8; and inasmuch as the mechanism shown in that figure has only three simple parts and one simple movement as against the thirteen complicated parts and two complicated movements of the mechanism shown in Fig. 3 of the middle column of defendant's drawing No. 8; I have no hesitation in saying that any man who asserts that the defendant's machine cannot be differentiated from the Liddell machine, is a mere trifler, and pettifogger, in so asserting.

Eleventh.—The Eastern brief devotes its pages 7 to 77 inclusive, to its arguments in favor of the jurisdiction of equity in this case. Many of those pages are immaterial to that question, because they are devoted to arguing that the jurisdiction of equity should exist in any case where the non-use of an invention by the owner of the patent thereon, resulted from his lack of means to put it into use, or from his lack of ability to induce others to put it into use; in which classes of cases the Continental brief itself implies that the jurisdiction of equity would be present (Continental brief, p. 6). Many more of those seventy-one pages of argument are based upon the unexplained and unargued and unsupported assumption that actions at law for infringement of patents are useless to patentees. Indeed, this assumption takes the form of statement, or at least of stated implication, near the bottom of page 22, and in line 4 from the bottom of

page 24, and in lines 10 and 11 of page 29, and in lines 7 and 8 of page 31, and in lines 19 and 20 of page 55, and in lines 23 and 24 of page 61, and in lines 10 and 11 of page 62, and in lines 4 to 9 of page 63, and in lines 7 to 9 of page 68, and in lines 19 and 20 of page 70, of the Eastern brief.

The absurdity of this assumption of the uselessness of actions at law for infringements of patents, is partly indicated by the fact that the very first case cited in the brief to support its argument in behalf of the jurisdiction of equity, was an action at law. That is the case of Grant *vs.* Raymond, 6 Peters, 218, from which in the upper half of page 29, the Eastern brief quotes at length from the decision delivered by Chief Justice MARSHALL, and calmly ignores the fact that he spoke of actions at law as means of securing exclusive enjoyment of inventions during the terms of patents, and was not alluding at all to actions in equity, or any supposed necessity therefor, in that behalf.

Indeed, actions at law are really such good remedies for real infringements of valid patents, that they were generally brought in preference to actions in equity, during the first forty years that passed after actions in equity were authorized by the statute of 1819. Thus, among all the sixty-five patent cases that reached the Supreme Court prior to the Civil War, more than two-thirds were actions at law, though nearly every one of them might have been brought on the equity side of the Circuit Courts, if the plaintiffs had desired, for they were nearly every one of them brought before the patents expired upon which they were based.

Some lawyers of non-extensive experience and non-excellent ability, sometimes sneer at jury trials in patent cases; but my experience in prosecuting or defending about three hundred patent actions in equity and patent

actions at law in thirty-six states of the Union, and my reading of nearly every report which has ever been published, of the trial or decision of any patent case in the United States, have convinced me that unjust actions for infringements of patents are more likely to deceive judges than to deceive juries, and that just actions for infringements of patents seldom fail of success with juries, except where erroneous verdicts necessarily follow from erroneous instructions given by judges.

TWELFTH.—The seventy-one pages of the Eastern brief which are devoted to supporting the claim of jurisdiction of equity in this case, contain citations of nearly a hundred cases, as if all of them had some relevancy to that question of jurisdiction. But the only Supreme Court case which really has any such relevancy, is Root *v.* Railway Co., 105 U. S., 189, and that case is attended to on pages 9 and 10 of the Continental brief. The other cases which are least remote from this question of jurisdiction, are explained in Section 7 on pages 31 to 50 inclusive, of the Continental brief.

A good answer to all the citations in the Eastern brief, on the question of jurisdiction, resides in Judge Lacombe's statement that: "Although the owner of a patent may not, without assent on his part, be deprived of his monopoly, he may, of course, so conduct himself, as to be no longer entitled to the aid of a court of equity in maintaining it." 57 F. R., 644, 1893.

Park Row Building,
Manhattan, New York,
April 9, 1908.

ALBERT H. WALKER.

Supreme Court of the United States.

OCTOBER TERM, 1907.

No. 202.

CONTINENTAL PAPER BAG COMPANY,
Petitioner-Defendant,

vs.

EASTERN PAPER BAG COMPANY,
Respondent-Complainant.

BRIEF AND ARGUMENT
FOR
EASTERN PAPER BAG COMPANY.

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Supreme Court of the United States.

OCTOBER TERM, 1907, No. 202.

CONTINENTAL PAPER BAG COMPANY,
Petitioner-Defendant,

vs.

EASTERN PAPER BAG COMPANY,
Respondent-Complainant.

BRIEF FOR RESPONDENT.

Statement of the Case.

This case comes to this Court from the Circuit Court of Appeals for the First Circuit, upon its return to a writ of *certiorari* granted by this Court upon the application of the defendant below, petitioner here (Vol. 2, p. 1944).

The suit was brought by the complainant below, respondent here, for an injunction restraining the petitioner from making, using or selling paper bag machinery in *deliberate* infringement upon Letters Patent No. 558,969, issued to the respondent on the 28th day of April, 1896, upon the invention of William Liddell, for a strikingly new and original combination in machines for making Self Opening Square paper bags, and for an accounting of all gains and profits derived by the petitioner, and damages sustained by the

respondent by reason of said *deliberate* infringement (Vol. 1, pp. 2–6).

After final hearing upon pleadings and proofs, in which the respondent relied upon the validity and infringement of claims 1, 2 and 7 of the patent in suit, the Circuit Court, through Judge PUTNAM, sustained the bill (Vol. 2, pp. 1890–1922; 142 F. R., 479). An application for a rehearing having been made by the petitioner and denied (Vol. 2, pp. 1878–1882) the Court entered an interlocutory decree holding that the respondent was the sole and exclusive owner of said patent; that the said claims thereof were good and valid; that Liddell was the original and first inventor of the improvements thereof; that the petitioner had infringed the same; ordered an injunction to issue against the petitioner in accordance with the prayer of the bill; adjudged that the respondent recover of the petitioner the profits which it had received or made, or which had accrued to it by reason of said infringement, and the damages which the respondent had sustained thereby, and appointed a special master to take an account of said gains and profits and to assess such damages (Vol. 2, pp. 1882, 1883). The injunction and the accounting were, however, suspended by the Circuit Court, and still stand suspended.

Upon appeal the Circuit Court of Appeals affirmed the decree (Vol. 2, pp. 1925–1928; 1943; 150 F. R., 741), whereupon the case was brought to this Court on writ of *certiorari*.

The record shows that the respondent is owned, or controlled through ownership of its stock, by the Union Bag & Paper Company, while the petitioner is owned or controlled by the International Paper Company (Vol. 2, p. 421), and that there has been practically no infringement except by the petitioner. The case therefore is merely a patent contest between two large corporations, in which the petitioner has been worsted in the Circuit Court and the Circuit Court of Appeals, and is now seeking a rehearing in this Court.

The Alleged Errors of the Court Below.

Both the Circuit Court and the Circuit Court of Appeals held that the patent was valid, and the invention thereof was of a broad character; that the claims in issue were co-extensive with that invention; that it was operative and useful; that it had been closely infringed by the petitioner, and that the respondent was entitled to the injunction and accounting (142 F. R., 485; 150 F. R., 741).

Judge PUTNAM, however, in his decision at final hearing, made the statement (Vol. 2, pp. 1890, 1891; 142 F. R., 487), although there was no affirmative record evidence to support it, that no machine had ever been built in accordance with the patent for practical purposes; that the respondent had locked up the patent and never attempted to make any practical use of it, and that *apparently* its proposed policy was to avoid such use, and to use the patent for the purpose of protecting its general business and to shut out competitors. Therefore he questioned the Court's equity jurisdiction to grant the injunction, but felt constrained, in view of the authorities, to hold such jurisdiction, and was indisposed to act on his "own peculiar views," especially, he stated, as it was not claimed that the respondent was not entitled to maintain the bill for an accounting.

Judges COLT and LOWELL, of the Circuit Court of Appeals, although making the statement (150 F. R., 743) that the patented machine had not been put into commercial use, and that no reason for the non-user appeared in the evidence, held that the contention "suggested at the oral argument" on the part of petitioner, that an unused, valid and operative patent is not entitled to protection by injunction, could not, in view of the weight of authority, be sustained.

Judge ALDRICH, the third member of the Circuit Court of Appeals, notwithstanding he agreed with the majority of that Court as to the validity and infringement of the patent and the practicability and usefulness of the machine made thereunder, and conceded that "mere non-use" was no reason for withholding the injunction, filed

a dissenting opinion contending that an injunction should not be granted, because the infringement was "of a paper patent deliberately held in non-use for a wrongful purpose" (150 F. R., 744).

Apparently realizing that the "wrongful purpose" attributed to the alleged non-user by Judge ALDRICH was without foundation in the Record, the petitioner contends (1) on the point of jurisdiction that the Court erred in entertaining jurisdiction to grant the injunction "because the infringement was of a patent, the invention of which has long and always and *unreasonably* been held in non-use," and (2) raising the question of infringement, alleges that the patent is limited to what is actually shown in the drawings thereof, and as "the petitioner's machine can be differentiated," therefore infringement should not have been found.

The two issues raised in this court may be more fully stated as follows:

FIRST. That the non-manufacture and use by the complainant company, or its controlling company, the Union Bag and Paper Company, of machines constructed in accordance with the Liddell invention, was so contrary to good morals and equity that a Court of Chancery would refuse to take jurisdiction, or at least would refuse to extend in aid of the existing legal right, the remedy of injunction by which alone it could be made effective, and be prevented from invasion by the petitioner.

SECOND. That because there were nineteen patents issued previous to the issue of Liddell's patent, for machinery for making the diamond fold of the so-called Self Opening Square (S. O. S.) bag, therefore the Court will, in considering the Liddell patent, ignore the fundamentally novel character of the conception of operative means which constituted his invention; ignore his broadly expressed claims co-extensive with his invention; ignore the statements of the specification which point out emphatically that the invention intended to be patented does not lie in the details of mechanism; construe the patent as limited to the detail and minutiæ of the mechanism illustrated in the drawings, even in the absence of anything in the patent and of any prior art requiring

such limitations; and in this way hold that the defendant-petitioner does not infringe; notwithstanding the fact that its machines unmistakably embody as their vital operative features the same conception of operative means which was original with Liddell, and which his patent was intended by himself, and the Commissioner of Patents, cover, and which his claims adequately include.

Respondent's Positions.

The respondent's positions may be concisely stated at follows:

1. There is no evidence in the record that the patent in suit is a mere paper patent, or that it has been held in unreasonable or wrongful non-use. But the evidence is to the contrary.

2. There is no evidence in the record that any portion of the public has been injured, or deprived of anything to which it was entitled, by reason of any non-use of any character.

3. If the record before the Court contains any basis for the finding of the Court of Appeals in respect to non-use, that basis and finding are not of "unreasonable" or wrongful non-use of a "paper patent," or of the patent in suit, but of mere lack of commercial use or naked non-use, of an invention, the practical utility of which has been demonstrated, and the record exhibits sufficient reasons for such non-use, and establishes that it was neither unreasonable nor wrongful.

4. The respondent has not done or omitted to do anything which should disqualify it from equitable relief by way of injunction, restraining the petitioner's infringement of the valid Liddell Patent.

5. Under the principles of law and equity, as announced by this Court and followed by the Circuit Courts of Appeal and the Circuit Courts, which must govern the right to an injunction restraining the infringement of the valid Liddell Patent, the Court below committed no error in entertaining jurisdiction and granting the injunction.

6. A denial of equity jurisdiction to grant an injunction restraining the petitioner's infringement of the valid Liddell Patent, the in-

vention of which is practical and useful, on the ground of the mere non-use of that invention, whether such non-use be explained or not, would be in contravention of the constitutional provision relating to patents for inventions and discoveries, would have a tendency to prevent the "progress of science and the useful arts," would be contrary to, and violate, both the letter and spirit of the Patent Statutes, and the contract between the public and the patentee, under which he conveyed his property to the public, represented by the Government, possession to be obtained at the end of seventeen years, and in consideration of which the public gives him and his heirs or assigns, during that period, the absolute and unconditional right to *exclude* every one from making, using or selling the patented thing, and is bound to protect the patentee absolutely in that right by the only effectual means of exclusion, viz., the writ of injunction.

7. The Court will not attribute the character of "wrongful" or "unreasonable" use to mere "non-use" of a patent.

8. The decision of the Circuit Court of Appeals on the question involved in the second assignment of alleged error, is actually as well as verbally consistent with the decisions of this Court, inasmuch as the Circuit Court and Circuit Court of Appeals have held, as matter of fact, that the petitioner's machine could *not* be "differentiated" from the invention of the patent in suit, which was of a broad character and properly claimed.

9. The "Hunter defense" of a fraudulent patent, and the "Claussen defense" of non-infringement by petitioner's machine, because made under the Claussen patent urged in the lower Courts, involve questions mainly of fact, already determined by the Courts below in favor of the respondent, and are not covered by the Assignments of Error.

PART FIRST.

JURISDICTION IN EQUITY ATTACHES HEREIN ALTHOUGH THE PATENT WAS NOT PUT INTO COMMERCIAL USE.

Preliminary Statement.

(1) The broad issue involved in the petitioner's questioning of the jurisdiction of the Court of Equity and of the propriety of relief by injunction, is whether or not one individual or corporation has the right from the point of view of equity and good morals, to own patents covering two or more alternative forms of mechanism for accomplishing the same purpose.

(2) The broad question of the right of a single individual to own and maintain patents for alternative machines, is not in fact complicated by the question as to whether he uses the different alternative machines covered by his patents. Intelligence dictates that he should use in his business his choice of the different machines, and therefore the fact that he actually built and kept all of the different machines in operation could only be colorable, and should not affect the question of his right to maintain the different alternative monopolies secured to him by his different patents.

(3) The grant of the monopoly, or the right to exclude all others from the use of a patented machine or device, for the limited term of the patent, is by the patent statutes conditioned only on four things, all being conditions precedent to the grant of the patent. There must be—first, a new and useful invention devised by the applicant; second, there must be a full and true disclosure of his invention in the specification filed by him in his application for a patent; third, he must at his own peril point out and distinguish what it is that his patent is intended to protect as a monopoly, and, fourth, the patentee must pay for the grant of his patent, certain fees. There is no condition subsequent to the grant of the patent, in the American statutes, although such conditions are usual in

foreign patent laws, which very generally make the continuance of a patent dependent on the payment of annuities, and also contingent on the putting of the patented device into actual operation within a limited period.

(4) That the absence of all conditions subsequent to the grant of the patent as affecting the grant, and particularly the non-existence of any condition requiring the working of the invention, was a matter of deliberate policy with Congress, is apparent, not only by contrasting the American statutes with those of most foreign countries, but also from the fact that at one time Congress had imposed on a certain class of patentees the duty of working their inventions. The deliberate omission of this condition from the patent statutes, as they now exist, can only be taken as showing deliberate purpose on the part of Congress.

(5) The Patent Statutes work to the public benefit in three ways; first, in stimulating invention; second, in encouraging enterprising individuals to introduce and exploit new inventions, by fostering new industries and developing old industries through the protection thrown around them for the limited terms of the patents; third, by insuring that practically all new inventions will be promptly disclosed and published, so that, irrespective of the use made of them during the term of the patent, they will become public property in the near future.

(6) The risk which any man takes in inventing and developing a new invention, or in purchasing a patent for such an invention, or in putting a patented invention into use, aside from the questions affecting its actual commercial value, is that some other inventor may devise and patent and put into use an alternative invention as good or better than the first. This, in the highly stimulated condition of inventive minds, is a very considerable risk.

(7) The defendant-petitioner's proposition, if sanctioned by this Court, would prevent anyone owning a patent from protecting himself against competition, either by inventing himself alternative and improved machines, or by employing inventors for the purpose of devising and patenting such machines, or from purchasing such

machines from independent inventors, because if petitioner's contention is correct, no one having patents for alternative machines could be protected by a Court of Equity, and no other protection than the injunction issued by a chancellor affords any real protection against infringement of letters patent. Any one owning two or more patents for alternative machines, would simply have to elect which of the patents he would put into commercial use, and which he would dedicate to the benefit of his competitors in business.

(8) The inevitable result of a refusal of equitable remedy in the case of one owning patents for alternative inventions, would be detrimental to the creation of inventions, to their disclosure in patents, and to their introduction into practical use.

I.

No Record of Unreasonable or Wrongful Non-Use.

There is no record evidence before the Court that the complainant has never put the patent in suit to any use, or that it has *unreasonably* held it in non-use, or that it has been "deliberately held in non-use for a wrongful purpose." There is no record evidence at all on the subject or character of complainant's use or non-use of the patent.

But on the oral hearing in both Circuit Court and Court of Appeals, respondent's counsel stated that the only machine made by respondent under the patent was the full-size operative one then in court as an exhibit.

It was on this basis and nothing more that his Honor Judge PUTNAM, at Circuit, stated that no machine for practical manufacturing purpose had been constructed under the patent in suit (142 F. R., 457), but he found that the weight of authority required the grant of the injunction.

Judges COLT and LOWELL, of the Circuit Court of Appeals, found "the machine of the patent in suit is mechanically operative, as was shown experimentally for the purposes of this suit, but it has not been put into commercial use" (150 F. R., 743).

This was merely a "non-user" on the part of respondent, and based only and necessarily on statements of respondent's counsel on the oral argument in the Court of Appeals, because the evidence did not say even this. Judges COLT and LOWELL also say that:

"No reason for the non-user appears in the evidence, so far as we can discover" (150 F. R., 743).

This is a finding that there is nothing in the record to show the character of the non-use, and clearly that the case before them was of mere non-use, and distinctly that nothing was shown of unreasonable or wrongful non-use.

They also found that, under the weight of authority, complainant was entitled to the grant of the injunction under such circumstances.

In other words, the Circuit Court of Appeals held that there had been merely no commercial use of the invention of the patent in suit, and that neither this Court, nor any Circuit Court of Appeals, had held that this was sufficient ground for a court of equity to deny an injunction restraining the infringement of a valid patent. On the contrary, the Courts of Appeals which had considered the question, had all held that non-use was immaterial on the question of injunction.

This is also the view held by Judge ALDRICH, for in his dissenting opinion he says:

"Standing alone, non-use is no efficient reason for withholding an injunction" (150 F. R., 745).

He thus agrees with the opinion of the majority of the Court of Appeals. This proposition seems not to be disputed by the petitioner. But Judge ALDRICH formulates a statement of fact on which to discuss a question of law, when he says that the infringement was of a "paper patent deliberately held in non-use for a wrongful purpose," and that such wrongful use was the forcing of another patent or machine into the paper bag industry and holding in deliberate non-use a competing invention "by way of protection" (150 F. R., pp. 744, 745).

These expressions of the opinion are not based on any evidence in

the record, and the questions as thus stated were not argued in either the Circuit Court or the Court of Appeals, while the majority of the Court of Appeals has failed to find any such facts as are embodied in Judge ALDRICH's statements above quoted. He thus stands alone and overruled, on the very facts on which he bases his whole argument and opinion.

Being aware that there was no foundation in the record for the wording used by Judge ALDRICH as to the character of the alleged non-user, and being confronted with the finding of all the judges of the Court of Appeals that mere non-use was not sufficient ground for withholding the injunction, the learned counsel for the petitioner puts his proposition before this Court as that of "*unreasonable*" non-use, the word "unreasonable" being carefully and newly coined to avoid the Scylla of mere "non-use," and the Charybdis of Judge ALDRICH's "paper patent deliberately held in non-use for a wrongful purpose."

There is no doubt that when a patentee has established the validity of his patent, and it has been infringed, he is entitled, under the patent acts and the weight of authority, to an injunction restraining that infringement, unless the defendant pleads and proves facts which create an equity in favor of the defendant, upon which the Chancellor, in the reasonable exercise of his discretion, may withhold the injunction.

In the case at bar, the petitioner neither pleaded nor proved any such state of facts. It neither pleaded nor proved an *unreasonable*, wrongful or vicious non-use of the patent in suit. Although it pleaded mere non-use, it offered no evidence thereof in the record. There is no evidence in the record of any unreasonable or wrongful non-use of the patent in suit by either the patentee or his assignee or the respondent. The petitioner's brief, the decision of the Circuit Court, and of the Circuit Court of Appeals and the dissenting opinion of Judge ALDRICH, wholly fail to quote any evidence in support of the alleged fact of unreasonable or wrongful non-use, or any reference to the record where such evidence may be found.

In the case of *Packard vs. Lacing-Stud Co.* (U. S. C. C. App., 1st Circuit), 70 F. R., 66, the opinion being by his Honor Judge PUTNAM, the appellant contended that the patent in suit was a "paper patent" and was of no use or benefit to the public, but simply purchased for the purpose of being put away until it could be used to crush some rival. In considering this proposition and overruling it, the Court said:

"We do not find in the record the proofs to sustain this claim and therefore we do not discuss it."

The case at bar, upon the evidence, is substantially the same as the Lacing-stud case, as there are no proofs upon the issue of non-use reasonable or unreasonable, and there are no proofs that the respondent locked up the invention of the Liddell Patent, or that it was a mere paper patent. On the contrary, the evidence, and the findings of both the Circuit Court and the Circuit Court of Appeals, establish that the patent in suit is not a "paper patent," but that it is commercially operative.

Moreover, the Circuit Court of Appeals held that the contention that an unused patent under certain circumstances is not entitled to the protection of an injunction, was simply "suggested at the oral argument," and that "this contention was not made in the defendant's printed brief."

All that Judge ALDRICH refers to in the petitioner's brief in the Circuit Court of Appeals, as to the non-use, is as follows (quoted from defendant's brief):

"No machine was ever built under the Liddell patent prior to the beginning of this suit; and no machine claimed to be an infringement of the Liddell patent has ever yet been built by anybody, except that the defendant's self-opening square paper bag machines were claimed in this suit to be such an infringement. When Mr. Stone gave his theoretical expert testimony upon the characteristics of the Liddell patent in January, 1903, no machine had ever existed anywhere which conformed to the mechanism described and delineated in that patent. That patent at that time was nearly seven years old, but it still remained what it had always been, a paper proposition, and nothing more" (Opinion of ALDRICH, J., 150 F. R., 747).

And this is the identical reference to this subject made in the brief of counsel for petitioner in the U. S. Circuit Court before Judge PUTNAM.

No reference is made to any evidence to support the alleged facts of this statement, and nothing more than a "suggestion" is made in the brief in the Court of Appeals, that upon such a state of facts the injunction should be withheld. That there was no intent to raise the question as a serious one, or to lay a foundation of fact on which to contend that mere non-use, or even unreasonable or wrongful non-use, was a ground for withholding an injunction, is clear from the fact that petitioner's record of testimony covers about nine hundred printed pages, and in all of this testimony the petitioner did not attempt to lay a foundation of fact for its present contention.

Moreover, in its brief at final hearing, it did not urge that the injunction should be withheld on the ground of the alleged "unreasonable" or wrongful non-use. The contention urged, was that it was inequitable to suppress an infringing business which was active, at the request of one who never put the invention of the patent infringed into commercial use.

Furthermore, after the decision at circuit, the petitioner applied to the Court for a rehearing assigning in his petition twenty-six errors, not one of which specifically involved the question of withholding the injunction on the ground of either mere non-use or unreasonable non-use (R., Vol. 2, p. 1878).

Again, of the thirty reasons given in the petitioner's assignment of errors, why the Circuit Court of Appeals should reverse the lower court not one specifically covered the present question (R., Vol. 2, p. 1884).

Finally, as previously pointed out, and found by the Circuit Court of Appeals, the question was not raised by the petitioner in that Court, except on the oral argument, and of mere "non-use."

The petitioner, not having offered evidence of mere non-use, or of unreasonable, wrongful or vicious non-use, it was not incumbent upon the respondent to offer any evidence as to whether or not the

patent in suit had or had not been used commercially, or in any manner. Even assuming that there is a record, by statements of counsel on the argument, of mere non-use, the respondent was not obliged, under the patent acts, or the authorities, to offer in evidence reasons or explanations for such non-use, and could not then do so. It certainly was not called upon to explain unreasonable, wrongful or vicious non-use, when no such contention was anywhere made in petitioner's proofs, briefs or arguments.

However, if the respondent is concluded by the finding of fact of the Circuit Court of Appeals, the finding as expressed by the majority of that Court which governs, is not that the patent in suit is a "paper patent long and always and unreasonably held in non-use," as contended by the respondent, or "held in non-use for a wrongful purpose," as urged by Judge ALDRICH, but the finding is simply that of "non-use" in the sense of "no commercial use," which even Judge ALDRICH or the petitioner does not contend furnishes sufficient ground for withholding the injunction, and upon which point in law there seems no diversity of opinion.

Even if this Court should reach the opinion that it is incumbent upon a patentee to make some commercial use of a valid patent or explain its non-use, before equity will enjoin its infringement, then the record before the Court contains evidence introduced by the petitioner-defendant, for another purpose, which did not come to the attention of the Circuit Court and the Circuit Court of Appeals, and which, as we shall point out, not only presents sufficient reason or explanation for mere non-use, but establishes the fact that the alleged non-use, was neither unreasonable nor wrongful.

II.

The evidence fails to establish any injury to any portion of the public. Indeed such injury could not exist through mere non-use of the patent in suit.

There is no evidence in the record to show that any portion of the public has been deprived of any rights, or of anything to which it is entitled, or that it has suffered injury in any manner. On the contrary, and even if there has been no commercial use of the invention of the patent, the petitioner's own evidence establishes that the public and the petitioner could have made substantially the same *product* of "Self-Opening Square" (S. O. S.) paper bags, as are produced by the machine of the Liddell Patent, though not on this advantageous form of machine.

Judge PUTNAM in his directions to the Master says (142 F. R., 519):

"there is no suggestion that the product commands a better price than the product of other machines producing paper bags of the same class."

This *product*, or the "Self-Opening Square" bag, is free to be made by any one, the Deering Patent for this form of bag having expired in May, 1897.

At the present time patent protection is had only in connection with certain of the machines which make this form of bag.

About ten thousand million self-opening square bags were made under the Lorenz and Honiss Patents No. 331,722, dated December 1, 1885, and No. 361,961, dated April 26, 1887, in the 15 years prior to 1903 (Lorenz, Qs. 19, 20, R., Vol. 2, p. 1080). The machine of the Stilwell Patents Nos. 407,794, of July 30, 1889, and No. 417,346, of December 17, 1889, also, produce a self-opening square bag, and the petitioner has contended throughout that these other machines are better than the machine of the Liddell Patent in suit, and produce an excellent bag.

But, the fact that the petitioner is able to produce the same bag

as those produced by the Liddell machine, by another machine, does not deprive the respondent of its right to an injunction restraining the infringement (*DuBois vs. Kirk*, 158 U. S., 66).

The most prominent manufacturer of self-opening square bags for many years, has been the Union Bag and Paper Company.

The complainant the Eastern Paper Bag Company is owned by the Union Company, who in this way owns the patent in suit.

The Union Company has been manufacturing and supplying these self-opening square bags to the public at the rate of about ten or twelve millions per day (Elsas, Q. 41, R., Vol. 2, p. 1356).

It further appears from the evidence that probably more than twenty thousand million S. O. S. (self-opening square) or Deering bags, have been made on the Lorenz and Honiss and Stilwell machines since 1886, when the former were introduced (Lorenz, Q. 58, R., Vol. 2, p. 1089).

The Deering patent on the bag itself expired in 1897, the patents on the Lorenz and Honiss machines expired in December, 1902, and April, 1904, respectively, and the patents on the Stilwell machines expired in July and December, 1906, respectively. So that the public and any manufacturer for almost 10 years past, has been free to make the S. O. S. product or bag (the same bag as is made by the machine of the Liddell Patent in suit), and has been for more than four years past free to use the Lorenz and Honiss machines in making S. O. S. bags, and is now free to use the machine of the Stilwell Patents for this purpose. As we shall point out later, the patent in suit introduced into the art of paper bag machinery an entirely new mechanical combination for producing these bags.

If the machine of the patent in suit had been in use for the past ten years, instead of the Lorenz and Honiss and Stilwell machines, the *public* would have received the same bag as they have been supplied with, and they were free to make that form of bag themselves.

But the owner of the patent and manufacturer would have reaped the special benefit, profit or saving, due to the Liddell machine.

No portion of the public, therefore, on the record before the Court, has been deprived of anything, or the product of any patented invention, even though the machine of the patent in suit has not been put into commercial use.

At most, a commercial manufacturing competitor, the defendant-petitioner, has been subjected to suit on the Liddell Patent, and will be enjoined from using the special machines covered by the decree herein.

But, by the conception and development of Liddell's invention, and the disclosure thereof to the public through the patent in suit, an entirely new, vital and operative combination for producing the Deering bag came into existence, so that not only that portion of the public which makes the bags and paper-bag machinery, but the art to which the invention belongs, reaped a benefit. The invention disclosed in the patent in suit, even without any commercial use thereof, is an incentive to that art and to those skilled in it, and lays the basis for further development and progress therein, as well as the foundation for the development and progress in the art of making machinery applicable thereto, for no invention is so perfect or complete that it is incapable of improvement by those skilled in the art to which it relates. Liddell's invention, as disclosed to the whole public by the patent in suit, may have, and probably has, suggested to those skilled in the art additional improvements in the art of making paper-bag machines, as well as new ideas in the development of other machinery. He has thus, by the very act of invention and the disclosure in the patent specification of the manner in which the invention may be made and used, promoted "the progress of science and useful arts," and conferred an immediate benefit on the public, with certain future and additional benefits, as well as profit and advantage to be derived from the use of the invention, when his patent thereon expires.

The evidence, therefore, instead of disclosing a state of facts showing that the Liddell invention has never been put into use,

and that the failure to do so has deprived any portion of the public of anything to which it was entitled, or has resulted in injury to any one, or that the patentee has by his patent conferred no immediate or prospective benefit on the public, discloses nothing relating to the question of non-use of the invention, either unreasonable or wrong. On the other hand, it distinctly establishes that no portion of the public has been injured or deprived of any benefit to which it was entitled, assuming non-use to be admitted, and also shows that the invention of the patent in suit is of practical utility, and that the use of it, after the expiration of the patent therefor, will be to the profit and advantage of the whole public.

III.

Reasons for non-user are in the record, and establish it was not unlawful or wrongful.

The Circuit Court of Appeals said in their opinion that "*No reason for the non-user appears in the evidence, so far as we can discover.*" But they overlooked evidence in the record of certain facts which explain any non-use of the patent in suit. This oversight was doubtless due to the question of non-use having been merely "suggested" on the part of the petitioner, on the oral argument and brief. This evidence was not offered by the respondent, but by the petitioner, and it was not directed toward explaining any non-use. The facts proved, however, establish adequate reasons for not putting the invention of the patent in suit into commercial use. These facts are as follows, in addition to those heretofore stated.

The average cost of building a single machine for making self-opening square bags is over $2,400 (Vol. 2, Elsas, x-Q. 112, p. 1378).

At the factory of the Union Bag and Paper Company there were in use sixty machines made in accordance with the Lorenz and

Honiss Patents, and seventy-five machines made in accordance with the Stillwell Patent (Vol. 4, Lorenz, Q. 13, p. 1077 ; Q. 19, p. 1080 ; Q. 21, pp. 1080, 1081). Altogether the Union Company had in use about 200 paper bag machines (Vol. 2, Lorenz, Q. 37, p. 1084).

The respondent and its associates, therefore, were already in possession of, and had expended hundreds of thousands of dollars in, machines for making the "S. O. S." bags, which the Liddell machine produced *in an entirely new way*, and had reached this position prior to acquiring the Liddell Patent, and long prior to the appearance of the petitioner in the competitive field. To make ten or twelve millions of bags per day (Vol. 2, Elsas, Q. 41, p. 1356) involves vast investments for machinery.

So far as appears, their machinery (made under the Stillwell and Lorenz and Honiss and other patents) was and is fairly efficient, for their product was and is enormous.

If Liddell invented a machine of equal or greater advantage than any owned or used by respondent or its associates, they were entitled to possess it, even though they might not think it of sufficient value to induce them to supersede their already existing machines, and destroy their investment in the same, by sending them to the scrap heap. The respondent, or those who controlled it, as owners of the Liddell Patent, was entitled to use its judgment or discretion as to whether the Liddell machine was of such a character as to justify the scrapping of the older machines, and substituting the new Liddell machine, no matter how promising that might be.

The petitioner acquires no rights from this situation.

If its machines embody Liddell's inventions, the right to appropriate the same unlawfully is not conferred on the petitioner, even if the respondent was not ready to build and operate under the Liddell Patent.

The Liddell Patent was of great legitimate value to respondent's interests, as a possible alternative type of a machine for its own use, when the machines it had in use became worn out. To say that the respondent, or the company which controlled it, because

they owned several patents on machines which could make the S. O. S. bags, must use all of these patents equally, or in fixed proportions, or dismantle working machines to build new ones, or else forfeit patent rights and remedies, is ridiculous on its face.

Such a doctrine would be equally oppressive towards the individual or poor inventor who could not secure capital to put either one or more of his inventions into commercial use. It would deprive him of the only efficient remedy, that of injunction against corporate or individual infringers.

Liddell was employed by the respondent as an inventor, and for the purpose of making and developing inventions in paper bag machinery, when the art of manufacturing the S. O. S. bags was a new one.

The respondent was a developing company, its capital and the energy of its employees being devoted to the creation of an S. O. S. bag machine, which could be used in competition with the successful and profitable machines which had previously been developed, and practically the sole result of its expenditure and the inventive powers of its employees was the Liddell Patent, which gave to its stock a substantial value and led to its being bought up by the Union Bag and Paper Company, which owned or controlled the Stilwell Patents, and the Lorenz and Honiss Patents as well. How does it wrong the public that the respondent, or the Union Bag and Paper Company, have not built and used machines embodying the Liddell construction? The reason why they did not was simply because they did not then require additional machines. They were amply supplied and able to fill the public demand for the S. O. S. bags, by reason of the large number of Lorenz and Honiss and Stilwell machines in their possession. There is no possible public interest which would have been subserved by their building and using additional Liddell machines. The public has received full consideration for such monopoly as is embraced in the Liddell Patent, because its patent laws have stimulated Liddell to invent, and the respondent to finance and patent the Liddell invention. That invention is known in all its detail by

reason of the disclosures of the patent, and will shortly become public property by reason of the expiration of the patent protection. If there is anything in the petitioner's contention with regard to the circumstances affecting the ownership of Liddell's patent, it cannot logically stop short of any position other than one which maintains that the owner of a patent is, by reason of his ownership, disqualified from acquiring ownership in any other patents unless he puts both patents into practical use, and this irrespective of whether such duplication of machines would be any advantage to the patent owner or to the public. No such contention is logically possible.

There was nothing wrong in the petitioner trying to force its way into this limited and protected art. It was open to it to effect this as Stilwell did, or as the respondent did when it promoted the invention by Liddell of a *new type* of machine to make the S. O. S. bags. In both cases the public interest was served by the creation of a new type of machine, and no legal or equitable interest was interfered with, because in both cases an entirely new, effective mechanism was devised and published to the world, and no legal interests of the owners of the prior patents interfered with. The petitioner, however, has based its business in making paper bags, not upon any new type invention, but upon its deliberate appropriation of Liddell's invention, electing to start its business by infringing on this patent rather than on the Lorenz and Honiss or the Stilwell patents (*Infra*, pp. 115, 116, 124–128).

IV.

The respondent has not done or omitted to do anything which disqualifies it from equitable relief by way of an injunction restraining the infringement.

The petitioner's brief and the dissenting opinion of his Honor Judge ALDRICH in the Circuit Court of Appeals, are based on the

assumption that the respondent is seeking to perpetrate a wrong on somebody, and has thereby disqualified itself to receive protection in the Chancellor's Court.

The maxim "*Sic utere tuo ut alienum non laedas*" applies to the exercise of rights under letters patent for invention, as well as to all other classes of property, and if the record shows unconscionable use of the patent property on the part of the respondent, a court of equity was not the place in which to urge its claim.

It is conceded in the dissenting opinion by Judge ALDRICH, and is not now in controversy, that the respondent is legally in possession of the patent in suit, that the patent is valid, and that the petitioner is a wrongdoer in that it has, in defiance of the Government's proper grant and promise to exclude others therefrom, extensively utilized respondent's patent property. The existence of the right and the fact of the wrong being thus conceded, the respondent is *prima facie* entitled to the intervention of the Chancellor by injunction to prevent the continuance of the wrong, and it is clearly entitled to this relief unless it has, by some wrongful act, disqualified itself from appearing in a court of conscience against the petitioner.

Such misconduct on the part of the respondent is implied in the petitioner's brief, where it is asserted that the patented invention has "Unreasonably been held in non-use," and in the dissenting opinion His Honor, Judge ALDRICH, uses stronger language and a good deal of it, in reprobation of the respondent's conduct with regard to the patent. Moreover, the dissenting opinion instances hypothetical situations where the massing together of patents might be effected with wrongful and mischievous intent. But all this has nothing to do with the case at bar, in which the only question is whether this respondent is shown in the record to be guilty of improper and inequitable conduct, which should and will induce the Chancellor to refuse the only possible protection and enforcement which can be given to the monopoly guaranteed by the government by the grant of the patent.

Neither the Bench nor the Bar require any reannouncement by

this Court of the equitable maxim to which we have referred, and no Chancellor ever has, or ever will hesitate to refuse intervention where it is shown that not justice, but injustice, would be effected by the granting of relief by injunction.

Alternative Patents.

The question then is,—Has the respondent committed a wrong which disqualifies it from equitable relief? Counsel for the petitioner asserts that it has, by reason of what he terms its "unreasonable non-use" of the invention covered by the patent. The dissenting Judge in the Court of Appeals does not take the ground that the mere non-use of the patented invention was a wrongful act which disqualifies the respondent from relief in equity, but does assert that a wrong was committed, in that the owner of the patent was manufacturing by means of other patented machines, and held the patent in suit in non-use while asserting its exclusive rights thereunder.

The facts are freely admitted by which it appears that the Union Bag and Paper Company, the virtual owner of the patent, is a large corporation manufacturing paper bags and among them the bags known as the "Self Opening Square Bags," the manufacture and sale of which has been under various patents owned by it.

The real question involved in this petition is, whether the non-use of the patented device under these conditions is so wrongful and contrary to public policy, that a court of equity should refuse its aid in the enforcement of the monopoly guaranteed by the grant of the patent.

Indeed the question would be only colorably and not really different, if the Union Company were using in its manufacturing business some machines covered by the patent in suit. Because the use of these machines would, under the existing circumstances be merely colorable, and for the purpose of inducing the protection of its patent rights by a Chancellor who, it is asserted by the petitioner, should refuse his aid in the case of the entire non-use.

Practically, then, the question comes down to the proposition that no single individual or corporation is entitled to protection in the ownership of two or more patents covering alternative devices. A proposition so radical we cannot believe will commend itself to this Court as one requiring its authoritative answer, certainly not, its affirmative answer.

The purpose of the patent law is to stimulate invention and to induce its prompt communication to the public. The inducement held out to inventors is an absolute monopoly (possible only by the writ of injunction) of their invention for a limited term, during which term the public has the invention fully communicated to it through the specification of the patent, partly for the purpose of enabling it to know what is the scope and extent of the monopoly, and partly for the purpose of enabling it to at once avail itself of the invention when the monopoly has expired, and to base additional and improved invention thereon even during the term of the monopoly, but subject thereto.

If the rule contended for by the petitioner receives the sanction of this Court, it will inevitably be found to defeat or greatly impair the beneficial working of the patent laws, both in stimulating inventions and inducing their prompt publication.

If, as the petitioner contends, no one is permitted to acquire title to patents to alternative construction, which titles will be recognized and enforced in a Court of Equity, then the inventor becomes the irreconcilable foe of any man in possession of a patented improvement. Nay, more than this ; the man in possession could not even take out a patent for a new and better machine invented by himself, for if he did so and put it into use, his old machine would become the prey of his competitors, while if he took out a patent for the newer machine without putting it into use, then the new and better machine would virtually become the property of his competitor. The petitioner's rule, then, would inevitably convert what is to-day the greatest influence tending toward the development of inventions, into an irreconcilable foe of improvement, and would

enormously debase the value of every patent in existence, or to come into existence in the future.

Again, an inventor setting himself the problem of devising some new way of carrying out an industrial process or manufacture, will very frequently work out several solutions of his problem, which can be covered only in separate patents and are practically alternative to each other. As the law is understood to-day, he will take all these patents into the market and sell them all to one man, who will use the one which he finds or judges to be of the greatest advantage, and hold the alternative patents in non-use. But if the petitioner's rule is adopted, the patenting of the alternative solution of the inventor's problem will completely destroy the value of all the patents, because no one will purchase one of them knowing that the others will naturally come into the possession of his competitors, and no one will purchase all of them because, under the rule contended for, his ownership will not be recognized or his monopoly enforced in a court of equity. The unfortunate inventor, therefore, would be virtually compelled to do what would be almost the fraudulent act, of concealing from a solicited purchaser of one of his inventions the fact that he had other inventions, which would practically nullify the value of the one patented, and the dictates of good faith toward the purchaser would require that he should, contrary to the spirit and intent of the patent law, suppress and conceal the other patented inventions.

It seems to us that public policy demands the fullest recognition and amplest enforcement of patent monopoly in all cases where it is not shown that the patent is being used as a mere cloak for a fraud or wrong. It may be true that the introduction of patented improvements into use frequently, if not generally, leads to an immediate advantage to the public in the improvement of the article manufactured or the cheapening of its price. But this is by no means always the case. The advantage may, for the term of the patent, flow solely to the owner of the patent, in that it may enable him to manufacture more cheaply, while his interests dictate that

the price to the public shall remain the same. Yet no one would contend that under such circumstances the owner of the patent was acting inequitably, or was not entitled to protection by the writ of injunction from a court of equity. The price which the government, as the representative of the people, has stipulated, for is the free and full communication of the invention and the right of the people to use it after the expiration of the patent. And for these considerations the government has stipulated that the public shall forego all immediate advantage, and that the inventor and his assigns shall have the absolute monopoly for the term of the patent, and the right to derive profit therefrom, as and how they can, and has agreed to protect that monopoly by the writ of injunction.

What we have said above is to the point that the public cannot be said to be wronged by the mere non-use of a patented invention, especially in such a case as the present, where the public demand has been fully satisfied.

It can hardly be claimed that the petitioner has suffered any wrong at the hands of the respondent. On the contrary it must be conceded, and it is a manifest fact that it has greatly and inexcusably injured the respondent. Of course it was open to anyone legitimately, properly and laudably, to devise or acquire other machinery which would enable them to manufacture and to sell these bags in competition with the Union Company. But the petitioner in place of purchasing or devising such machinery, *deliberately* constructed its machines in accordance with and in infringement upon the patent in suit. It filled huge mills with these infringing machines, and has for many years past and is to-day, depriving the Union Company of an enormous share of the trade which could not have been diverted from it except by the use of these infringing machines, while, of course, the competition has inevitably resulted in the cutting of prices and the great loss of profits. It is very doubtful as to what, if any damages can be recovered for the enormous injury inflicted by the petitioner, and in this, as is unfortunately true in most patent cases, the only protection which can be confidently looked to by the owner of

the patent is in the strong arm of the Chancellor interposed to prevent the continuance of the wrong.

But indeed there is no pretense that the petitioner has suffered wrong at the hands of the respondent, and the only question which is really raised by this petition is, whether the non-use of the invention in suit, under the circumstances shown in this record, was a wrong to the public of such a character as to induce a Chancellor to say to the owner of the patent, "You do not come into my Court with clean hands, and have virtually lost all equitable rights under this monopoly which the Government has solemnly secured to you."

It is the very essence of the finding in the opinion of the dissenting Judge in the Court of Appeals, and it is a fact, that important interests depend upon the enforcement of the monopoly granted by the patent in suit. There is, therefore, in this case no possibility of the denial of an injunction by reason of the unimportance of the controversy, and if this Court reverses the Court below on this proposition, it must hold that it is reprehensible conduct and a wrong on the public for any one person, natural, or artificial, to hold and exercise at the same time rights under two or more patents for alternative forms of invention, a proposition which, it seems to us, strikes at the very root of the patent system.

It is clear, for reasons we have noted, that the respondent has wronged nobody, and equally clear that it has enormous interests in the recognition and enforcement of its rights under the patent. We can concede that, if it was shown as a matter of fact that the respondent was seeking to perpetuate a wrong, either on the individual petitioner, or on the petitioner as one of the people at large, under the mere guise of asking recognition and protection of its patent, or if it were shown that it had no real interest which required the interference of the Chancellor for effective protection the writ of injunction should be denied. But we submit that these principles are elementary and need no new sanction from this Court.

As said above the dissenting opinion of Judge ALDRICH appears to be based upon the thought that the respondent's non-use of the patented invention was "wrongful." The petitioner as we have noticed, however, states the question as relating to an invention which has "long and always and *unreasonably* been held in non-use."

But "wrong" or "unreason" will not be *presumed* without proof; and there is nothing in the record as we have pointed out, to show that the respondent's failure to use the Liddell machine was in any way wrongful or unreasonable.

The reasoning of Judge ALDRICH is not very clear; but on analysis it appears to be that it is wrongful for a complainant to hold two patents on alternative forms of machines, and while using one of them, seek for an injunction to prevent the use of the other form. Judge ALDRICH says (p. 754 and elsewhere) that in such cases the purpose of complainant is not to protect the infringed patent, "but *to force the public and the trade to use another patent.*"

These statements, we may remark, are singularly inapplicable to the case at bar. The respondent and those connected with it in interest are manufacturers of paper bags; and so is the petitioner. The respondent owns two or more patents on paper bag machines, and has built machines for its own use under two of those patents. The petitioner makes machines infringing another of those patents; and the respondent seeks to protect its exclusive right under that patent. There is nothing in these facts to warrant the assertion that the respondent is seeking to force the petitioner or the public to use the type of machine which it uses itself. On the contrary, it would probably be very unwilling that petitioner should do so.

But apart from the facts of this specific case, we maintain that there is nothing whatever immoral, objectionable, or unreasonable in a company or an individual owning two patents on alternative forms of machine, and while operating under one of them endeavoring to exclude others from the use of the alternative form of machine.

The vision which haunts Judge ALDRICH of one corporation acquiring all the patents on one line of apparatus, as, for instance air brakes, and thereby acquiring a complete monopoly of that type of apparatus, is most unlikely to be realized. When such a case does arise the Court will deal with it; but it is plainly not the case at bar.

If respondent's right to injunction is denied in this case, it is equivalent to an assertion that anyone who holds patents on several forms of machinery for making the same product, must submit to *confiscation, for the benefit of infringers, of every form except that one which he himself puts into use.* This doctrine would be most pernicious to the development of improved forms of machinery.

As we will show, it was clearly the intention of Congress that non-use of an invention should not destroy the right to exclude others from making, using or selling an invention without the consent of the patentee. It is equally certain that the "progress of science and useful arts" is promoted by the refusal to require that an invention should be put into use if the patentee's rights are to be maintained.

The influence of the patent system upon the development of industries in this country is generally recognized. Those who are engaged in industrial pursuits understand that under our patent law there is the possibility of substantial reward for the exercise of the inventive faculty. It is easy to show that the possibility of this reward would be enormously impaired if there was any such restriction of the right of the patentee as that for which Judge ALDRICH contends.

Inventions in this country are made for the most part either by the elaborate engineering organizations, which are maintained by all the great industrial concerns for the express purpose of improving their machinery, methods and product, or by individuals, who by study or by accident find some way in which the useful arts may be improved.

Manufacturers Using Inventions.

Under the rules of law as laid down in the authorities we will cite, each class of inventors recognizes that if a patentable improvement is made, it is theirs exclusively for the term of the patent. If the invention come to a large industry by contract with its inventor, the managers of that industry know that they are under no obligation to put it into use, unless it is a real substantial improvement in their own business, while at the same time they are able to assert and maintain the right to exclude others from using it for the brief term of the patent. They are, however, in a position to act intelligently and wisely for their own interest, which in the last analysis is practically sure to be for the general interest of the community, even during the term of the patent. For instance, in the case of the manufacture of paper bags, there is every inducement for the manufacturer to secure as many patents for improvements as he can. He will rebuild his machinery and modify his processes of manufacture whenever it is for his interest to do so. Thus by securing all possible improvements with the intention of patenting them, he will get the most efficient kind of machinery and the best product possible.

If on the other hand the law was that for which Judge ALDRICH contends, this large manufacturer would be penalized every time he made or secured an invention, and to a serious extent. Among the improvements that would be made by or for him would surely be many alternative methods or devices for accomplishing the same result. Some of these would seem to him and be in fact distinctly better than others. It would be an economic waste of the most flagrant character for him to adopt and put into use all these various patented constructions and methods of manufacture. He would thereby be organizing his business on lines that were distinctly improper, for instead of employing the best and most economical machines and proc-

esses of manufacture, he would be employing several, only one of which should be employed if he were to do his business in the most efficient and economical fashion. The fundamental laws of business would prevent any such folly on his part. He would surely select from these alternative inventions those that were most valuable and refrain from using the others. But the others being patented, any stranger could use them for starting a competing business; and the manufacturer owning the patent would be without redress, for he could secure no adequate relief against the infringer solely because he had not committed the business error of using relatively inefficient machines and devices. The inevitable result of a law requiring that patents should be practically invalidated unless the inventions of the patents were put into use, would be that the manufacturer would be inclined to suppress all efforts to improve his machinery, processes and product, as vigorously as he is now stimulated to such effort. It is not unreasonable to believe that the larger manufacturers would in self-defence not only refuse to pay their employees for study and experiment with the view of securing improvements, but would practically forbid any such efforts.

Individual Inventors.

The other class of inventors above referred to, namely, the individual inventors, would be equally embarrassed. The large majority of these individual inventors, not associated with established industrial concerns in such relations as to invent for them under contract, are either workmen of various grades, who make inventions in the industries in which they are employed and own the patents thereon themselves, because they are not under contract to sell them to an employer, or individuals who make an invention through the study of some special problem in which they have become interested, or by accident. There are many individuals who are professional inventors, seeking for defects

anywhere in the arts, and exercising in general the inventive faculty with which they are gifted, to overcome those defects.

The sole inducement that any of these individuals, whether workman, student or professional inventor, has to promote the progress of the useful arts is the value to him of the patent which he may secure. In almost every such case the value of that patent will be nothing, however meritorious the invention may be, unless the inventor is able to secure capital, generally to a very substantial extent, or to sell the patent to some one having the capital necessary to develop the invention. If the law were as stated by Judge ALDRICH, the condition of the vast majority of such inventors would be hopeless. Having disclosed the invention by the patent, it becomes at once known to all who are interested in the art to which the invention relates. They would know that so long as the inventor had not secured capital or had failed to find a purchaser for his patent, he would have no redress that was in the slightest degree effective against an infringer. The probability is that if the invention was of merit, it would be at once infringed, not by one but by many, and inasmuch as the inventor could secure no injunction, the question whether he could get any return from his invention would depend solely upon the accident of his succeeding at a later stage in raising capital himself or selling the patent to some one who was in a position to work under it. With infringers all over the country, the chances of securing capital or of making a sale of the patent would be enormously reduced. Every infringing manufacturer would be, for the time being, protected, as he was not subject to injunction. Every would-be purchaser or investor would be repelled, if, in addition to all the other burdens which are imposed upon the patentee or the owner of a patent who undertakes to enforce his rights, he had to face the unfavorable conditions involved in a widespread infringement at the time he made his invention or took title to the patent. Individuals, therefore, whether workmen, professional inventors or students, would no longer have the tremend-

ous incentive they now have to make improvements in the useful arts. There can be no doubt that in the case of such inventors, as in the case of those who are inventing under contract for established industries, nothing could be more demoralizing and embarrassing than the failure of the law to recognize that an inventor had the right to an injunction, if his patent was valid and had been infringed, even if the conditions were such as to make it inexpedient for actual work under the patent to be carried out commercially.

There can be no doubt that there would be widespread infringement of patents, the owners of which had failed to put into commercial use, if the right of the owner to an injunction did not exist. It is very seldom that a patent is so clearly valid that no plausible ground can be advanced for attacking its validity. The scope of the claims is always uncertain, so that would-be infringers can easily persuade themselves that a certain construction of apparatus will not be held to be within the patent. For this reason the lot of the patent owner is a hard one under the law as at present understood.

If in addition to these difficulties there was the further burden upon the patent owner that, unless and until he had the good luck and the opportunity to work commercially under his patent, the field was wide open for infringers without danger of injunction, the value of the patent would be so enormously reduced that the marked effort to promote the progress of the useful arts that has characterized our American industries in the past would gradually disappear, and it is doubtful if there would not be complete lethargy on the part of individual inventors, and a disapproval of further experiment on the part of the industrial organizations who now spend such enormous sums of money in hiring inventors to experiment in order that they may get better results in their own industries.

Summary.

To sum up, we ask the Court to note that the petitioner's case on the question of jurisdiction can logically and legally rest only on two points :

First. The allegation that the respondent has committed a wrong on the public by not actually putting the Liddell patent into commercial use and—

Second. That the respondent has, in fact, no such interest in the patent as requires the intervention of a court of equity to protect.

Neither of these points is supported by the evidence in the record ; on the contrary, it is clear, for reasons which we have noted, that the respondent has wronged nobody, and it is equally clear that it has large interests dependent on the recognition and enforcement of its rights under the patent.

We can concede that if it were shown, as a matter of fact, that the respondent was seeking to perpetrate a wrong either on the individual petitioner or on the petitioner as one of the people at large, under the mere colorable guise of asking recognition and protection of its patent, a Court of Equity would not only refuse the relief of injunction but would dismiss the bill, for the Court is a court of conscience, and no rule is more elementary than the one which prescribes that a complainant to be entitled to its aid in enforcing is rights must come into Court with clean hands.

We can concede also that if it were shown that the respondent had in fact no real interest which required the intervention of the Chancellor for its effective protection, the writ of injunction should be denied, but it is hardly conceivable that the owner of an infringed patent could be held to be without interest requiring protection, and in this case it is conceded that the interest is a large and valuable one.

The respondent has done no wrong, the only wrongdoer is the petitioner. The respondent is not without interest requiring protection. Its interest is large. The case was brought in a Court of Equity because that Court only was capable of giving relief, and if

the petitioner succeeds in its attempt to defeat the jurisdiction of the Court it can only be, as we understand the facts, by inducing this Court to read into the patent statutes conditions affecting the grant, not found in the statutes, and which are contrary to the spirit and intent of the distinctively American system of patent law. Conditions which are, for the reasons which we have set forth in this section of our brief, not only burdensome and inequitable as applied to patentees, but distinctly contrary to the public interest, in that the conditions urged, if they existed, would remove the stimulus both to the making of inventions and their prompt publication and patenting.

V.

Under the principles of law and equity which must govern the right to injunctions restraining the infringement of patents for inventions, the Court committed no error in entertaining jurisdiction, even though there had been no commercial use of the invention.

This Court may not in any case have directly passed upon the proposition of granting or withholding an injunction restraining the infringement of a valid patent, the invention of which is practical and useful, where commercial non-use and the circumstances thereof have been shown in the record. Nor upon the proposition of entertaining or denying jurisdiction under such circumstances.

However, this Court has in certain cases construed the patent statutes enacted under constitutional provisions, and announced the principles of law and equity, which should govern, or be applied by the Courts, in determining whether or not a court of equity should withhold an injunction restraining the infringement of a valid patent, upon the ground that the invention thereof has never been put

into *commercial use*, and where no reason or explanation is given of such non-use.

These principles or rules may be stated as follows: The inventor is in possession of a new and useful invention of which the public has no knowledge or information, but is desirous of obtaining full and accurate knowledge thereof. The inventor is not only in possession of his invention, but prior to the application for or grant of a patent thereon, he has the right to make, use or sell it, provided no earlier inventor has obtained a valid patent upon which the later inventor's discovery or invention would infringe. The purpose and object of the patent statutes, passed in pursuance to constitutional provisions, is to induce the inventor to make the invention public. This is accomplished by a contract between the patentee, and the government, representing the public. The consideration on the part of the patentee, to support the contract, is the production of a new and useful invention and the full and complete disclosure thereof to the public, through the specifications and drawings of the patent, whereby the public obtains knowledge of the invention and may use it after the patent expires.

The consideration moving from the public is not a favor, but the grant of an absolute and unconditional right to the inventor, to prevent or prohibit for a fixed limited period any one from making, using or selling the invention without his permission, and the promise and guarantee on the part of the Government that it will protect him absolutely and by all the process of its courts, in the *right to exclude* every one from making, using or selling his invention. Under this contract the public parts with nothing, for the inventor was not obliged to disclose the invention, which was his property, but might have kept it to himself. The public had nothing of value to part with, nor any natural, moral or legal right to the invention, unless the inventor had voluntarily disclosed it. Under the contract the inventor, "so far as his personal use is concerned, received nothing which he did not previously have." In consideration of the inventor parting with his absolute property in his new and useful invention, of which the public

had no knowledge, by and to the extent of making an immediate, full and complete disclosure thereof to the public, so that it might be available to it after a limited period, the public, through the Government, grants by the patent, the absolute right guaranteed by the Government, not only to temporarily exclude the whole public from using the disclosed invention, except upon such lawful terms as he may impose, but the right to withhold the actual use of that invention for the comparatively few years for which the patent is granted, and to be protected in this absolute right to the fullest extent by the process of all the Courts of the Government.

When the inventor in his patent has made a full and complete disclosure of his invention, the public has received all that it contracted to receive; that is, it has obtained knowledge of the inventor's secret property, with the absolute right to the possession and the free use thereof after the limited period for which the patent monopoly is granted. The public not only receives this, but by the very act of invention and the full and complete disclosure of it in the records of the Patent Office, the inventor has given the public something new and useful, of which they had no knowledge or information and which, added to the knowledge of mankind, is a guide and incentive to further perfect and develop his original conception. He has thus conferred an immediate benefit upon the public, even though the invention is not put into commercial use, until the expiration of the patent.

After the inventor has made a full and complete disclosure of his invention, he is under no moral or legal obligation to any portion of the public. He is not required by the patent statute to directly or indirectly put it into commercial use, nor is he obliged to permit others to do so, directly or indirectly, except upon his own lawful terms. Having disclosed his invention, he is legally and equitably entitled to all the benefits of the laws, whether administered by a court of law or equity. He has an absolute legal and equitable right to avail himself of all means which the law provides and the machinery of its Courts, for preventing others from taking advantage of his invention before his patent expires. The public,

acting through the Government, induced him to disclose to it his invention, and has granted him these rights and has agreed and promised to enforce and protect them. The inventor, having fully complied with all of his obligations, the Government cannot indirectly, by withholding an injunction, permit any portion of the public to take advantage of his invention (unless there is a special equity in favor of some portion of the public against the inventor), and thus force him to make use thereof or permit infringers to do so, perhaps on their terms, without failing in its duty and violating its moral and legal obligation as well as its solemn statutory promise, by which it persuaded the inventor to part with his secret property and to disclose the invention, so that the public might obtain immediate knowledge of it and share in and have the full benefit of it after the expiration of the patent.

Therefore, considerations of any alleged immediate public benefit resulting from the inventor putting the invention into commercial use, should not induce the Courts to deprive the inventor of any of his rights either directly or indirectly, by withholding its most effective process for the preservation of these rights, viz: that of injunction.

These appear to us substantially the views which this Court has taken, of the nature of a patent for an invention, the protection to which it is entitled, and the relations and obligations existing between the inventor and the public, in the following leading cases:

Decisions of This Court.

Grant vs. Raymond, 6 Peters, 218, 243 (opinion by Chief Justice MARSHALL).
Wilson vs. Rousseau, 4 How., 646–674.
Bloomer vs. McQuewan, 14 How., 539.
Seymour vs. Osborne, 11 Wall., 516, 533.
Cammeyer vs. Newton, 94 U. S., 226.
Patterson vs. Kentucky, 97 U. S., 501.
Densmore vs. Scofield, 102 U. S., 375.
United States vs. Bell Telephone Co., 167 U. S., 249.
Connolly vs. Union Sewer Co., 184 U. S., 540, 546.
Bement vs. National Harrow Co., 186 U. S., 70, 90.

Chief Justice MARSHALL, referring to the nature of the patent privilege, in *Grant vs. Raymond*, says:

"The laws which are passed to give effect to this purpose ought, we think, to be construed in the spirit in which they have been made; and to execute the contract fairly on the part of the United States, where the full benefit has been actually received; if this can be done without transcending the intention of the statute, or countenancing acts which are fraudulent or may prove mischievous. *The public yields nothing which it has not agreed to yield; it receives all which it has contracted to receive. The full benefit of the discovery, after its enjoyment by the discoverer for fourteen years, is preserved; and for this exclusive enjoyment of it during that time the public faith is pledged.* That sense of justice and of right which all feel, pleads strongly against depriving the inventor of the compensation thus *solemnly promised.*

* * * * * * *

"The communication of the discovery to the public has been made in pursuance of law, with the intent to exercise a privilege which is the consideration paid *by the public for the future use of the machine.*" (Italics ours.)

But the "enjoyment by the discoverer," and the "exercise" of his "privilege," consists as vitally in the right to exclude others from his monopoly as it does in the right to use it himself. Neither is dependent upon the other.

In *Bloomer vs. McQuewan*, Chief Justice TANEY, considering the patent privilege, said:

"The franchise which the patent grants consists altogether in the *right to exclude everyone from making, using or vending the thing patented* without permission of the patentee. This is all he obtains by the patent." (Italics ours.)

In *Patterson vs. Kentucky*, this Court said that the right to sell the patented oil "was not derived from the letters patent, but it existed and could have been exercised before they were issued."

The Court quoted the following language from the Supreme Court of Ohio:

"The sole operation of the statute is to enable him to *prevent others* from using the products of his labours except with his consent, but *his own right of using is not enlarged or affected.*" (Italics ours.)

Considering the nature of the patent-privileges this Court, in *United States vs. Bell Telephone Co.*, says :

" But for the patent the thing patented is open to the use of any one. Were it not for this patent any one would have the right to manufacture and use the Berliner transmitter. It was not something which belonged to the Government before Berliner invented it. It was open to the manufacture and use of any one, and any one who knew how could contrive, manufacture and use the instrument. It conveyed to Berliner, so far as respects rights in the instrument itself, nothing that he did not have theretofore. *The only effect of it was to restrain others from manufacturing and using that which he invented.* After his invention he could have kept the discovery secret to himself. He need not have disclosed it to any one. But in order to induce him to make that invention public, to give all a share in the benefits resulting from such an invention, Congress, by its legislation, made in pursuance of the Constitution, has guaranteed to him an *exclusive right to it* for a limited time, and the purpose of the patent is to protect him in this monopoly, not to give him a use which, save for the patent, he did not have before, but only to separate to him an exclusive use. The Government parted with nothing by the patent. It lost no property. Its possessions were not diminished. The patentee, so far as a personal use is concerned, received nothing which he did not have without the patent, and the monopoly which he did receive is only for a few years."

The Court held that no consideration of public benefit can take away from a patentee the rights which the patent acts give him. It says (p. 247) :

" The statute has given this right, and no consideration of public benefit can take it from him."

And on page 249 it says :

" All that the patent law requires is that when a patent expires the invention covered by that patent shall be free to everyone."

And on page 250 :

" Counsel seem to argue that one who has made an invention and thereupon applies for a patent therefor, occupies, as it were, the position of a *quasi* trustee for the public ; that he is under a sort of moral obligation to see that the public acquires the right to the *free use of that invention as soon as is conveniently possible. We dissent entirely from the thought thus urged. The inventor is one who has discovered something of value. It is his absolute property.* He may withhold the knowledge of it from the public, and *he may*

insist upon all the advantages and benefits which the statute promises to him who discloses to the public his invention. He does not make the law. He does not determine the measure of his rights. The legislative body, representing the people, has declared what the public will give for the free use of that invention. He cannot be heard in the courts to say that it is of such value that he is entitled to a larger and longer monopoly; that he is not fully compensated, by the receipts during seventeen years for the great benefit which his invention has bestowed. No representative of the public is at liberty to negotiate with him for a new and independent contract as to the terms and conditions upon which he will give up his invention. He must come under the dominion of the statute, and take that which the public has proffered its willingness to give. As the lawmaking power has prescribed what the public will give, specified the terms and conditions of purchase, indicated the time and methods of determining the right of compensation, *he on his part has an absolute legal right to avail himself of all provisions thus made.* It is not of course doubted that the courts in construing the patent as all other statutes, must have regard to the spirit as well as the letter. That simply requires that courts shall ascertain their true meaning, but when that is ascertained the applicant for a patent *is entitled to all the benefits which those statutes thus construed give.*" (Italics ours.)

Mr. Justice NELSON in *Wilson vs. Rousseau*, in speaking of a patent says:

"The law has thus impressed upon it all the qualities and characteristics of property, for the specified period; and has enabled him *to hold and deal with it the same as in case of any other description of property* belonging to him." (Italics ours.)

This statement is quoted and approved by this Court in *Bement vs. National Harrow Co.*

In *Cammeyer vs. Newton*, the Court said:

"that an invention so secured is property in the holder of the patent, and that as such the right of the holder is as much *entitled to protection as any other property*, during the term for which the franchise or the exclusive right or privilege is granted." (Italics ours.)

In *Densmore vs. Scofield*, it is said:

"Patents rightfully issued are property, and are surrounded by the same rights and sanctions which attend all other property. Patentees as a class are public benefactors, and their rights should be protected."

In the case of *Bement vs. National Harrow Co.*, this Court, after referring to Chief Justice MARSHALL'S decision in *Grant vs. Raymond, supra*, quoted with approval an extract from the opinion of the Circuit Court of Appeals for the Sixth Circuit in the case of *Heaton Peninsular Co. vs. Eureka Specialty Co.*, as follows :

" ' If he sees fit, he may reserve to himself the exclusive use of his invention or discovery. *If he will neither use his device nor permit others to use it, he has but suppressed his own.* That the grant is made upon the reasonable expectation that he will either put his invention to practical use or permit others to avail themselves of it upon reasonable terms, is doubtless true. This expectation is based alone upon the supposition that the patentee's interest will induce him to use, or let others use, his invention. The public has retained no other security to enforce such expectations. A suppression can endure but for the life of the patent, and the disclosure he has made will enable all to enjoy the fruit of his genius. *His title is exclusive, and so clearly within the constitutional provisions in respect of private property that he is neither bound to use his discovery himself nor permit others to use it.* The dictum found in Hoe v. Knap, 17 Fed. Rep. 204, is not supported by reason or authority.' " (Italics ours.)

This Court has therefore expressly disapproved the dictum in *Hoe vs. Knap*, referred to by Judge ALDRICH. Continuing, the Court, referring to the object of the Patent Laws of the United States, says :

" The very object of these laws is monopoly, and the rule is, with few exceptions, that any conditions which are not in their very nature illegal with regard to this kind of property, imposed by the patentee and agreed to by the licensee for the right to manufacture or use or sell the article, will be upheld by the courts. The fact that the conditions in the contracts keep up the monopoly or fix prices does not render them illegal."

Decision of the Court of Appeals of the State of New York.

The Court of Appeals of the State of New York has taken the same view of a patent and the rights of a patentee thereunder, in the case of *Good vs. Deland*, 121 N. Y., 8, in an opinion by Mr. Justice PECKHAM, who said :

" The owner does not possess his patent upon the condition that he shall make or vend the article patented, or allow others to

do so for a fair and reasonable compensation. When he has once secured his patent, he may, if he chooses, *remain absolutely quiet, and not only neglect and refuse to make the patented article,* but he may likewise refuse to permit any one else to do so on any terms. If the patent be a valuable one, self-interest may be relied upon as a strong enough motive to induce the owner either to take himself, or to permit others to take, some steps toward introducing his invention into use. How far it will go depends upon the owner, *and his right to decide that question is not in the least circumscribed by the interests of the public in obtaining such machinery or invention, or a right to its use.* He may keep such right himself, or make the machinery, or manufacture the patented article alone, or he may permit others to share such right with him, or he may allow them an exclusive right and retain none himself. It all follows from and is founded upon the *absolute and exclusive right* which the owner of the patent has in the article patented.

"Having such right, he must plainly be permitted to sell to another the right itself, or to agree with him that he will permit none other than such person to use it. That person need not agree to make the patented article, or to sell it. It is a question solely for the parties interested. This right is necessary in order that *the owner of the patent shall have the largest measure of protection under it.*

"*Considerations which might obtain, if the agreement were in regard to other articles, cannot be of any weight in the decision of a question arising upon an agreement as to patented articles. If an owner of a patent should choose to refuse to manufacture the article covered by his patent, could anyone else claim such right? His simple neglect or refusal to manufacture would stand as a conclusive reason why it was not manufactured. An owner might sometimes make more money by not manufacturing than by doing so, but of that question he is the sole and absolute judge*" (Italics ours).

Decisions of Circuit Courts of Appeal.

The Circuit Courts of Appeal have found no difficulty in applying these principles, and the cases in which they have been applied to proofs before these Courts relating to any non-use of patents, have uniformly held that abstention from use of the patented invention, and the holding of one or more patents in non-commercial use, did not deprive the inventor or the holder of any of his equitable rights or remedies.

Besides the decision of the Circuit Court of Appeals for the First Circuit, in the case at bar, the Circuit Courts of Appeal for

the Second, Fourth, Sixth, Seventh, Eighth and Ninth Circuits have applied and adopted these principles.

Edison vs. Mt. Morris Co., 57 F. R., 542, 644 (2d Cir.).
Heaton-Peninsular vs. Eureka, 77 F. R., 294 (6th Cir.).
Crown Cork & Seal Co. vs. Aluminum Stopper Co., 108 F. R., 845, 868 (4th Cir.).
Fuller vs. Berger, 120 F. R., 274, 277 (7th Cir.).
Lamson Consolidated Store Service Co. vs. Hillman, 123 F. R., 416, 422 (7th Cir.).
Victor Talking Mch. Co. vs. Fair, 123 F. R., 425 (7th Cir.).
U. S. Seeded Raisin Co. vs. Griffin, 126 F. R., 364, 368 (9th Cir.).
Rupp vs. Elliott, 131 F. R., 730 (6th Cir.).
Munroe vs. Railway Appliance Co., 145 F. R., 646, 648 (7th Cir.).
Filter Co. vs. Jackson, 140 F. R., 340, 343 (8th Cir.).
U. S. Fastener Co. vs. Bradley, 149 F. R., 222 (2nd Cir).
Rubber Tire Co. vs. Milwaukee, 154 F. R., 358, 361 (7th Cir.).
Indiana Mfg. Co. vs. J. I. Case Co., 154 F. R., 365 (7th Cir.).

In *Lamson Consolidated Store Service Co. vs. Hillman*, the Circuit Court of Appeals for the Seventh Circuit reversed the decree of the lower court dismissing the bill, and ordered a decree for an injunction and accounting. The Court said that "The record shows that appellant, owner of the patent, has never put the device upon the market," and that the evidence in the record supports the inference that the invention "is operative, but that for commercial reasons *appellant prefers to suppress the invention.*"

In *Crown Cork & Seal Co. vs. Aluminum Stopper Co.*, the Circuit Court of Appeals for the Fourth Circuit held that jurisdiction in equity to restrain the infringement of a patent was not defeated by the failure of the patentee to make use of his patent. In considering the question, and referring to the authorities, the Court said:

"The tenth defense is want of equity jurisdiction in cases of alleged infringement where the things covered by the patents have never been made or sold by the patentees. The complainant company was supplying the market with bottle-sealing devices of Painter's invention of the same general type. The 'Crown Seals" made under the patents of 1892 are adapted to serve the same purpose. * * * *The cases cited fall short of supporting this defense.* In Hoe vs. Knap (C. C.), 27 Fed., 204, the patented device was a small part of a complicated machine, which in other respects the defendants were entitled to use. The court did not refuse to entertain jurisdiction, but under the circumstances refused an injunction in the interlocutory decree, and allowed the defendants to use it on their giving bond. The next case cited—New York Paper Bag Mach. & Mfg. Co. v. Hollingsworth & Whitney Co., 56 Fed., 224, 5 C. C. A. 490,—the decree of the circuit court which had taken jurisdiction was affirmed by the circuit court of appeals, but Judge PUTNAM in a short separate opinion expressed a doubt whether the case submitted was not one of mere legal right, wherein the complainant should be left to his remedy at common law, if entitled to relief at all. But the same judge, in the later case of Packard vs. Lacing Co., 33 U. S. App. 327, 16 C. C. A. 639, 70 Fed., 66, wherein it was asserted that the patent in issue was a 'paper patent', and there were no proofs that the patented machines had ever been constructed or put into use, held that 'the grant of the patent makes a *prima facie* case in this particular,' and jurisdiction was entertained. In the other case relied on,—Germain v. Wilgus, 67 Fed., 598, 14 C. C. A., 561,—the bill showed that the right claimed by the appellants in regard to their patent was being contested in a court at law, and prayed that action be enjoined. The court held that 'a party having legal rights, unless some interposing equitable right is presented, has a constitutional guaranty that the facts he presents for determination shall be tried by a jury', and, as they found no equity in the bill, it was dismissed. Some of the authorities cited deal with the question of the propriety of granting preliminary injunctions unless there had been a verdict of a jury or long acquiescence in the validity of the patent by the public. These have no bearing on the question of equity jurisdiction on final hearing. The principal case cited therein is Root v. Railway Co., 105 U. S., 189, 26 L. Ed., 975, where a bill merely for an account of profits and damages against an infringer was dismissed because it did not appear that there was not a complete remedy at law, but Mr. Justice MATHEWS in the course of his opinion, referring to the statute which expressly vests the court with jurisdiction 'to grant injunctions according to the course and principles of courts of equity to prevent the violation of any right secured by patent' (now section 4921, Rev. St.), states the well-settled principles which fully sustained the jurisdiction in this case. See Shaw v. Cooper, 7 Pet., 292, S. L. Ed., 689; Walk. Pat., Sec. 106."

In *Fuller vs. Berger*, the Circuit Court of Appeals for the Seventh Circuit, in holding that neither nonuse or even misuse of a patented invention deprived a patentee of the right to maintain a suit in equity restraining its infringement, said :

" Equity is not concerned with the general morals of a complainant ; the taint that is regarded must affect the particular rights asserted in his suit, Saddle Co. v. Troxel (C. C.), 98 Fed., 620 ; Folding Box Co. v. Robertson (C. C.) 99 Fed. 985, and cases therein collated. A complainant asserts the validity of his patent (a question of law on the facts), and asks an injunction on account of continued and threatened trespasses (an equitable remedy to make up for the inadequacy of the legal). Though the defendant may not be able to deny the validity of the patent or the fact of infringement, he may defeat the application for an injunction if he can show that the complainant, in his dealings with or conduct towards the defendant in relation to the subject-matter of the litigation, has acted unfairly or oppressively, or has misled the defendant with respect to the validity of the patent or the fact of infringement, or if the complainant, to make his case, is compelled to bring forward and count upon his own wrong. But if the defendant can do no more than show that the complainant has committed some legal or moral offense, which affects the defendant only as it does the public at large, the Court must grant the equitable remedy and leave the punishment of the offender to other forums. In the present case, there have been no dealings between the parties. Nothing has been done to mislead appellees. And appellant, to make his case, simply brings forward his patent and proves the continued and threatened infringement. Against this, appellees establish that appellant has been misusing the patented device. But does this concern appellees more or differently than it does others? Equity will aid the owner of a lawful patent if he puts the device to good uses, but will deny relief if he puts it to bad uses. The ' reform ', for the lack of which appellees contend that appellant must be kept out of a court of equity for the present and until the reform is accomplished, is the reform of the man.

" The conclusion follows from the foregoing premises that appellant is entitled to injunctive relief. But another consideration leads more strongly to the same result. The inventor's right to make, vend, and use his device does not come from the patent law ; it is his natural right. The government's grant to the patentee and his assigns is the right to exclude others from practicing the invention. * * * Now, if the complainant in a patent suit is seeking merely to enforce his right to exclude, according to the terms of the government's grant, an inquiry into what use (or lack of use) the inventor is making of his natural right would seem to be clearly collateral and irrelevant. And if the right to exclude is the substance of the grant, it is a legal right. And in determining legal rights, equity

follows the law. And if a legal right is established beyond every defense, legal or equitable, available to the defendant or to the court on its own motion, equity must grant appropriate relief if there is no adequate remedy at law. *Injunction, it is evident, is the only means equal to enforcing the right to exclude* (Italics ours).

Munroe vs. Railway Appliances Co., affirmed C. C. A., Seventh Circuit, 147 Fed. Rep., 241 :

"It does not appear that complainant has ever manufactured and far less put in use the device of his patent, although it was granted almost thirteen years ago. * * * Undoubtedly complainant has the right to withhold the benefit of his discovery, if it be one, from the public for the term of seventeen years."

In *U. S. Fastener Co. vs. Bradley*, 149 Fed. Rep., 222, 224, the Circuit Court of Appeals for the Second Circuit affirmed a decree for an injunction and accounting, and said :

"It is asserted by the defendant that the complainant never made fasteners under the Pringle patent. *If this be true, it is wholly immaterial to the present controversy.* Where it is asserted that a patented device is inoperative and lacks utility, evidence that it has never been put to use is persuasive, but in a case like the present, where the fact that the device is useful and operative can be seen at a glance, such evidence is negligible. *The complainant had a right to use the patent in any way it saw fit*" (Italics ours).

In *Rubber Tire Wheel Co. vs. Milwaukee Rubber W. Co.*, the Court of Appeals for the Seventh Circuit said :

"Under its constitutional right to legislate for the promotion of the useful arts, Congress passes the patent statutes. The public policy thereby declared is this : Inventive minds may fail to produce many useful things that they would produce if stimulated by the promise of a substantial reward ; what is produced is the property of the inventor ; *he and his heirs and assigns may hold it as a secret till the end of time ;* the public would be largely benefited by obtaining conveyances of these new properties ; so the people through their representatives say to the inventor : *Deed us your property, possession to be yielded at the end of 17 years, and in the mean time we will protect you absolutely in the right to exclude every one from making, using or vending the thing patented, without your permission.* Bloomer v. McQuewan, 14 How. 539, 548, 14 L Ed. 532 ; United States v. American Bell Telephone Co., 167 U. S. 224, 17 Sup. Ct. 809, 42 L. Ed. 144 ; Bement v. National Harrow Co., 186 U. S. 70, 22 Sup. Ct. 747, 46 L. Ed. 1058 ; Good v. Deland, 121 N. Y. 1,

24 N. E. 15 ; Fuller v. Berger, 120 Fed. 274, 56 C. C. A. 588, 65 L. R. A. 381 ; Victor Talking Machine Co. v. The Fair, 123 Fed. 424, 61 C. C. A. 58 ; Rupp-Wittgenfeld Co. v. Elliott, 131 Fed. 730, 65 C. C. A. 544. *Congress put no limitations, excepting time, upon the monopoly. Courts can create none without legislating.* The monopoly is of the invention, the mental concept as distinguished from the materials that are brought together to give it a body. Use of materials, as noted above, may be enjoined as injurious to the public ; but that does not invade the monopoly. Use of the invention cannot be had except on the inventor's terms. Without paying or doing whatever he exacts, no one can be exempted from his right to exclude. Whatever the terms, courts will enforce them, provided only that the licensee is not thereby required to violate some law outside of the patent law, like the doing of murder or arson " (Italics ours).

In *Indiana Mfg. Co. vs. J. I. Case Co.*, the Court of Appeals for the Seventh Circuit said :

" Another attack is predicated upon the number of patents. The proposition is that the public is entitled to competition between independent inventions. The linotype and the monotype inventions are referred to as illustrating machines that produce the same result by essentially different means and modes of operation. If Buchanan had invented the linotype the patent laws would have given him a monopoly, not a lesser right conditioned upon his giving the public the benefit of his invention in a way some chancellor might deem equitable (Fuller v. Berger, 120 Fed., 274 ; 56 C. C. A., 588 : 65 L. R. A., 381, denying the doctrine of Hoe v. Knap (C. C.), 27 Fed., 204), but an absolute monopoly, an unqualified right to deprive the people of its use for 17 years (*and the writ of injunction of course affords the only possible way*) or to make them pay his price in the meantime. Would he by conferring upon the public the advantage of that disclosure be barred of the right to make or buy the monotype invention ? We do not understand counsel for appellee to say ' yes ' squarely. But their contention comes to this : If he owned either alone, over that he would have complete dominion ; owning both, he controls nothing. The public has no right in either invention ; therefore the public has the right to have them both in the market competing for buyers. Naught plus naught ; the sum of two naughts is a substantive quantity.

" If we are mistaken in our view of the prior art and in attributing primacy to the Buchanan patent of 1892 ; if the foundation patent be either the Brinsmead of 1866 or the Buchanan of 1884 ; and if the patents in suit be only for independent improvements upon a successful stacker that was free to the public—the argument of counsel respecting the lawfulness of the concentration of the patents in the hands of a single company is covered fully by the

opinion of the Supreme Court in United States v. American Bell Telephone Co., 167 U. S., 224, 17 Sup. Ct., 809, 42 L. Ed., 144." (Italics ours.)

Decisions of the Circuit Courts.

As these principles naturally flow from the character of a patented invention and the nature of the patent granted thereon, the Circuit Courts have applied them for over half a century and have held that the non-commercial use of a valid patent did not prevent the owner from restraining its infringement.

Carr vs. Rice, 1 Fish., 198, 200 (N. Y.).
Wintermute vs. Redington, 1 Fish., 243 (Ohio).
Ransom vs. Mayor, 1 Fish., 255 (N. Y.).
Pitts vs. Wemple, 2 Fish., I5 (Ill.).
Whitney vs. Emmett, 1 Bald., 304.
Broadnax vs. Central Stock Yard, 4 F. R., 214, 216 (N. J.).
In re Brosnahan, 18 F. R., 62 (Justice MILLER) (Mo.).
Consolidated vs. Coombs, 39 F. R., 803 (Mich.).
Wirt vs. Hicks, 46 F. R., 71 (N. Y.).
Campbell vs. Manhattan Railway, 49 F. R., 930 (N. Y.).
Edison vs. Mt. Morris, 57 F. R., 642, 644 (N. Y.).
Masseth vs. Reiber, 59 F. R., 612 (Pa.).
Bonsak vs. Smith, 70 F. R., 383 (N. C.).
Columbia vs. Freeman, 71 F. R., 302, 306 (Mo.).
Wyckoff vs. Wagner, 88 F. R., 515 (N. Y.).
White vs. Peerless, 111 F. R., 190 (Pa.).
Brodrick vs. Mayhew, 131 F. R., 92 (Wis.).
National Co. vs. Daab, 135 F. R., 891, 895 (N. J.).
Hoe vs. Miehle. 141 F. R., 115 (N. Y.).
Hartman vs. Park & Son, 145 F. R., 358 (Ky.).

In *Broadnax vs. Central Stock Yard & Transit Co.*, Judge NIXON of the Third Circuit said (p. 216):

"The proof was that the complainant had never put his alleged invention into practical use, and it was insisted from this fact that the inventor could not maintain a suit for its infringement. But this is not the law, when the patentee is a citizen of the United States. In Wheeler v. The Clipper Mower Co., *supra*, Judge

WOODRUFF, in considering this objection to the validity of a patent, says: 'If the invention be such that when the thing invented shall be constructed according to the model and specifications filed, it will operate successfully, as a practical and useful thing, the inventor has satisfied the law, and his patent is valid. He is not bound by law to construct it in order to preserve his patent."

In *Masseth vs. Reiber*, Judge BUFFINGTON of the Third Circuit in granting a decree for an injunction said :

"FIRST. The exclusive right to his discovery, is what the law confers on a patentee. Whether he exercises that right or not by manufacturing his device cannot affect his exclusive right under the patent."

Wyckoff vs. Wagner Typewriter Co. arose on a demurrer to the bill for want of equity.

One of the grounds of the demurrer was that the bill did not allege that the complainant had ever put, or allowed others to put the invention of the patent in use, by manufacture, sale or use.

Judge LACOMBE of the Second Circuit held that the bill might be maintained without averring that the complainant had ever put or allowed others to put the invention into use, or that the validity of the patent had been acquiesced in or established by an action at law.

In *Wirt vs. Hicks*, Judge SHIPMAN of the Second Circuit, in overruling a demurrer for want of equity, held that where no preliminary injunction restraining an infringement was applied for, the complainant need not allege that it is engaged in making or selling the invention of the patent sued upon. He said :

"The principal grounds of demurrer are that it does not appear from the bill that the complainant is or has been engaged in the manufacture, sale, or use of the patented inventions, or that they have been a source of profit to him, and that the bill has no allegation which if true would show any substantial injury to the complainant from the acts of the defendants. The bill could not be relied upon as a foundation for a motion for preliminary injunction. It does not state a prior adjudication upon the validity of the patent, or acquiescence by the public in its use and enjoyment by the owners thereof, or any use by the complainant of his patented rights. *Isaacs v. Cooper*, 4 Wash. C. C. 259; *Sullivan v. Redfield*, 1 Paine, 452; *Parker v. Brant*, 1 Fish. Pat. Cas. 58; *Gutta Percha*,

etc. Co. v. Goodyear, etc. Co., 3 Saw. 542; Walk. Pat. sec. 660; 3 Rob. Pat. sec. 1206. But the allegations are sufficient in a bill for an injunction to be issued at the conclusion of the suit, when the validity of the patent has been established by the proofs in the case."

In *Consolidated Roller Mill Co. vs. Coombs*, in denying a motion to stay an injunction, based on the ground that the complainant was not a manufacturer, but derived its profits from selling or licensing under the patent, Judge BROWN said:

"After an adjudication upon the merits, the case becomes somewhat complicated by the provisions of the constitution and statutes which secure to the inventor 'the exclusive right to his discovery.' If this right be 'exclusive,' it is difficult to see how the court can limit or impair it by requiring the patentee to accept anything less than the complete monopoly which the law awards him. While he may not be a manufacturer himself, and may derive his sole profit from licensing others to use his device, still such licenses are entirely voluntary upon his part, are *completely within his own control, and the courts have, strictly speaking, no power to demand of him that he shall license the defendant to use his machine, as they are enabled to do indirectly by refusing an injunction upon requiring a bond to pay the amount of the license or such damages as he may have suffered by defendant's use of his machine.*" (Italics ours.)

In holding that he was unable to concur with Judge BLODGETT, in *Hoe vs. Knap*, 27 F. R., 204, he says (p. 205):

"A man has a right to deal as he chooses with his own. I know of no reason why a patentee is bound to make use of his own inventions, or to license others to use them, any more than the owner of a manufacturing establishment is bound to run it for the benefit of his neighbors or employes. As observed in the earlier portion of this opinion, the question of licensing another to use an invention is one which the patentee alone has the right to answer, and courts cannot lawfully compel him to make use of his invention, or to permit others to use it against his will."

In *Campbell vs. Manhattan Ry. Co.*, Judge LACOMBE held, on the question of granting an injunction restraining the infringement of a valid patent, that the fact that the patentee had never made, used or sold the invention of the patent, or licensed others to do so, was immaterial. He says (p. 932):

"If an inventor, whose patented improvement in locomotive machinery, although valid, is of but trifling value to a common car-

rier, himself thinks it valuable, and therefore demands a license fee for its use, higher than such common carriers as would like to use it are willing to pay, they may nevertheless appropriate his invention to their use, may place it on their cars and locomotives without his permission, and may continue to use it till it wears out, without interference, on the ground that to remove it would inconvenience the public ; and that for such enforced license they should be made to pay, not the fee the inventor asks, but such sum as a master of the court may think the invention is worth. *Baldly stated, the contention is that, when a patentee asks a price for the use of his patent higher than users wish to pay, and refuses to license its use except at such price, it may be confiscated and sold to whoever wants it, at a price to be fixed by a United States circuit court.* Whether or not such a qualification of the monopoly secured by letters patent would be desirable legislation is immaterial ; it is not now on the statute book, nor is there found controlling authority in its support among the cases cited by the defendant's counsel " (Italics ours).

In refusing to follow Judge BLODGETT'S decision in Hoe vs. Knap, he says :

"Judge BLODGETT, however, at final hearing, refused an injunction against an infringer, holding that, ' under a patent which gives a patentee a monopoly, he is bound either to use the patent himself, or allow others to use it, on reasonable terms.' No authorities for this proposition, however, are cited in the opinion, nor is such a construction of the statute, which provides that a patentee shall receive a grant of the ' exclusive right to make, use and vend ' his invention, supported by argument. Although great weight is always to be given to decisions of the circuit courts, they are not controlling authority when the same question is presented in another circuit. I do not, therefore, feel constrained by this decision to refuse the complainant its injunction, because it asks more for a license than defendant cares to pay."

White vs. Peerless Rubber Mfg. Co., Judge BUFFINGTON granted the usual decree for injunction and accounting, saying :

"The fact that White did not manufacture under his patent, the reason for which is shown, did not lessen the intrinsic worth of the device, and will not deprive him of the monopoly granted to him for what is now proved to be a meritorious combination."

In *National Automatic Weighing Machine Co. v. Daab*, brought to enjoin the infringement of the Fairbanks Automatic Weighing patent, which was about to expire, but the invention of which

had never been put into use, the defendant urged the non-use as a defense in equity, and in overruling it Judge CROSS said :

" The defendants have sought to interpose the non-use of the Fairbanks patent as a defense, but it has been decided in many cases that it is not."

In *Hoe vs. Miehle*, referring to *Bement vs. Harrow*, it was said :

" The fact that no machine has ever been made and shown to work successfully under a patent does not prevent the owner of the patent, if it is valid, from restraining an infringement of it (Bement v. National Harrow Co., 186 U. S., 70, 90 ; 22 Sup. Ct., 747 ; 45 L. Ed., 1058)."

Both of the well-known text books on the law of patents also announce these principles :

Robinson on Patents, vol. 1, secs. 20, 25, 30.
Walker on Patents, secs. 151, 152, 154 (4th Ed.).

The only case to a contrary effect is the decision of Judge BLODGETT in *Hoe vs. Knap, supra*, in which the Court refused to grant an injunction after final hearing, in a case where the complainant had not manufactured under the patent.

This decision has been frequently disapproved. In *Heaton-Peninsular Button-Fastener Co. vs. Eureka Specialty Co., supra*, it was said :

" The dictum found in *Hoe v. Knap*, 27 Fed. Rep., 204, is not supported by reason or authority."

As pointed out, this is quoted by this Court with apparent approval in *Bement vs. National Harrow Co., supra.*

For other cases expressly disapproving *Hoe vs. Knap*, see *Fuller vs. Berger, supra ; Wyckoff vs. Wagner, supra ; Campbell vs. Manhattan, supra*, and *Consolidated Co. vs. Coombs, supra.*

As we understand it, Judge ALDRICH in his dissenting opinion does not defend the doctrine of *Hoe vs. Knap* (See 150, Fed. Rep., 749) ; and petitioner's counsel in his brief on *certiorari* did not advance any such doctrine.

Therefore, it is clearly settled by a long line of authorities,

broken only by the discredited decision of *Hoe vs. Knap*, that the mere fact that a patentee has made no use of his invention does not deprive him of the right to exclude others from the use of that invention during the term of the patent, by means of the usual injunction at final hearing.

Any other doctrine would be, not only inconsistent with the nature of the patent grant, and the solemn promise of the Government, but as has been noted, would be most oppressive to a poor inventor who had been unable to interest capital in the exploitation of his invention ; for it would deprive him of his only efficient remedy against any corporation or individual who had unlawfully appropriated his invention.

The present case is clearly within the authorities cited.

Requirement of "Working" is Not to be Read into the Statute.

The learned author of *Walker on Patents* (counsel for petitioner herein), in Section 154, says :

"A patent right is an absolute, and not a qualified right, During the term of his patent a patentee may, if he pleases, decline to allow any other person to make, use, or sell the invention which it covers, and at the same time may refrain from making. using and selling this invention himself."

In support of these brief and concise statements of the nature of a patent, the learned author, in the last and fourth edition of his work, cites thirteen cases, including that of *United States vs. Bell Telephone, supra ;* the decision of Mr. Justice PECKHAM in *Good vs. Deland, supra ; Consolidated vs. Coombs, supra ; Campbell vs. Manhattan Ry., supra,* and *Heaton vs. Eureka, supra,* referred to in the majority opinion of the Court of Appeals in the case at bar, besides many of the other cases above referred to.

Mr. Walker further says (sec. 151) :

"Patents are property, and the owner of a patent is both legally and equitably entitled to the same protection for that property that the owner of any other species of property may enjoy."

As to the right obtained by a patentee, he states (sec. 152):

"On the other hand, he receives from the government nothing which cost the government or the people a dollar, or a sacrifice. He receives nothing but a contract, which provides that for a limited time he may exclusively enjoy his own."

Moreover, as Mr. Walker points out (sec. 105), Congress did not overlook the question of non-user of patented inventions, and did not intend that a patentee should be deprived of any of his rights by non-user. The Patent Act of 1832, Section 1, provided that in the case of a patent to a foreigner, the invention patented must be introduced into public use within one year after the date of the patent, and continued in public use, in order to preserve the rights of the patentee.

But there never was, and is not now, any such provision in the case of a patent to a citizen, and the law in question, as to a foreigner, was repealed in 1836.

For the Court to deny an injunction to a patentee who has not put his invention into practical use, is in effect to compel him to "*work*" his patent or *forfeit* the "right to exclude" which the patent grants.

But, in the United States Statutes, the exclusive right granted to the inventor is *not* conditioned upon his putting the invention into practice during the term of the patent; and the omission of any such provision speaks almost as loudly as would an express provision to the contrary. For, in many foreign countries, it has long been provided that a patent becomes void, if, within certain periods, the invention is not "worked" or manufactured within the country. See, for example, France, Law of July 5, 1844, Art. 32, Sec. 2; Austria-Hungary, Law of August 15, 1852, Sec. 29, 2*a*.

The omission of any "working" clause for the present United States Law, is all the more significant because of the fact that at one time the United States law did contain such a provision, as applied to aliens.

The Patent Act of 1832 referred to provided (4 Statutes at Large, Chap. 203, p. 577) for the extension of the patent privileges to cer-

tain resident aliens, provided, however, that such patents should become void " in case of failure on the part of any patentee, for the space of one year from the issuing thereof, *to introduce into public use in the United States*, the invention or improvement for which the patent shall be issued; or in case the same for any period of six months after such introduction shall not continue to be publicly used and applied in the United States." This act was repealed by the Act of 1836, and since that time there has been no requirement that any patentee shall put the invention into practical use.

It is well stated by the present counsel for the defendant in his learned work *(Walker on Patents*, Sec. 106):

" In providing such a rule of constructive abandonment for a certain class of aliens, Congress showed that it did not overlook the subject of non-user of patented inventions; and, by omitting to provide any such rule for citizens of the United States, Congress showed that it did not intend constructive abandonment to result from non-user in their cases. * * * *The fair inference from this course of legislation seems to be that Congress does not intend any patent right to be lost on any ground of non-user of that right.*" (Italics ours).

Commenting upon the law of 1832, Judge WOODRUFF, in *Wheeler vs. Clipper Co.*, 2 O. G., 442, said:

" The statute requires that an alien shall put and continue on sale, to the public, the invention or discovery for which he receives a patent, but it contains no such provision in relation to the patentee when a citizen of the United States."

In view both of the foreign statutes and of the law of 1832, we must conclude that the omission from the present law of " working " provisions is deliberate, and for the Court virtually to incorporate such a provision into the statute would be to nullify the intention of Congress.

The omission of any such provision, if not prohibited by the constitutional provision relating to the grant of patents for invention, was, no doubt, for the reason that Congress has considered that the "stimulus" to inventors referred to by Chief Justice MARSHALL, would be most effective if the grant of the exclusive right

for seventeen years were unfettered by any conditions; and the event has proved the justice of this view, as is attested by the unparalleled growth of inventions in this country.

That this belief in the inexpediency of *compelling* a patentee to *use* his patent is now coming to be prevalent in those countries which have "working" provisions in their laws, is well indicated by the resolution unanimously adopted by the International Association for the Protection of Industrial Property, at Milan, on September 14–16, 1906, that "The failure to carry out the working of an invention ought not to entail, in any case, other consequence than the obligatory license provided by the State law of each country," and that "the Congress is of opinion that it will in future be necessary to give up the principle of compulsory working" (see Transactions of the International Association, Vol. I., 1897, p. 70; Patent & Trade Mark Review, Vol. V., p. 1744).

In short, a patent of the United States clearly confers the right to exclude others from the use of the invention for seventeen years, unhampered by any conditions as to the patentee's making use of the invention during that period. The Court will support the patentee's full right to what has been granted to him. In *United States vs. American Bell Telephone Co., supra*, this Court says of the position of the patentee:

"He does not make the law. He does not determine the measure of his rights. The legislative body, representing the people, has declared what the public will give for the free use of that invention. * * * He must come under the dominion of the Statutes and take that which the public has proffered its willingness to give. As the law-making power has prescribed what the public will give, specified the terms and conditions of purchase, indicated the time and methods of determining the right of compensation, he on his part has an absolute legal right to avail himself of all the provisions thus made."

United States and Foreign Patent Systems Contrasted.

The Patent Statutes enacted by Congress are notably different from most of the Patent Statutes passed by foreign countries, in that their professed object is to increase the stock of available

information rather than to protect and foster new industries. In most of the foreign statutes, provision is made for the grant of patents not to the inventor of the undiscovered processes or apparatus, but to those introducing industries based on discoveries or inventions, and while the issue of patents to those having knowledge of new inventions, whether made by themselves or not, is provided for, the grant of the patent is coupled with conditions which make it void unless the new manufacture is introduced within a limited period of years. The American statute, based on the constitutional provision which authorizes the grant of patents to secure to inventors and discoverers the *exclusive right* to their inventions or discoveries for a limited time, to promote the progress of the useful arts, provides for the grant of patents only to the inventors or discoverers, and puts no condition upon the grant except time, and that which insists upon a full disclosure of the new discovery or invention, and the further condition, imposed for the protection of the citizens at large, which provides for the accurate definition or claim of the invention, so that all skilled in the art may know, not only what the new invention is in a general way, but specifically what protection the inventor and the Patent Office have determined and agreed upon should be afforded for this invention.

No doubt Congress, like the foreign legislators, has had in view the effect of the patent system, not only in stimulating research and invention and thereby increasing the ultimately available fund of useful knowledge, but also its immediate effect in stimulating and fostering new industries and developing old industries, but it has wisely, as the event has proved, omitted all conditions as to working, from the grant of patents.

Under the foreign systems the condition as to the working of the invention, inevitably leads to the suppression and concealment of any useful invention until the inventor can see his way clear to either put it into commercial use himself, or induce someone else to do so. Under the American system the prompt patenting and disclosure of all inventions is practically insured, because the in-

ventor, knowing that he has seventeen years of unconditioned monopoly before him, has no doubt of his ability to find a market for his invention before the expiration of this period, and because, moreover, he realizes that delay or suppression of his invention will probably, in the course of a few years, result in some other and more diligent or hopeful inventor obtaining a patent.

The accumulated experience as to the results of the two different kinds of patent statutes, demonstrates unmistakably that the American system is infinitely the best, first, because it insures the prompt disclosure of useful inventions or discoveries and the early merging of the right to use such inventions into the common fund; second, because, as a matter of fact, the American system has proved to be more effective than the foreign systems in procuring the early use of inventions, and, third, because the unconditioned grant has proved to be more remunerative to the inventor and patentee than the grant conditioned on working, and therefore more stimulating both to the work of developing inventions and to their prompt disclosure.

VI.

Withholding the injunction restraining the petitioner's infringement of the valid Liddell Patent, on the ground of non-use of the invention thereof, would be a violation of respondent's constitutional and statutory rights, and contrary to the "Course and Principles of Equity."

It must necessarily follow from this Court's construction of the patent statutes, that the patentee's right, guaranteed by the Government, to exclude others from the use of his invention by the writ of

injunction, is not conditioned upon the use of his invention, nor can it be lost by any mere non-use. This being so, the mere fact of non-use, or mere lack of reasons or explanation therefor, cannot deprive him of the right to exclude others, according to the patent contract, from using his invention.

For the present patent statute (R. S., Sec. 4921) itself gives the patentee, in express terms, the remedy of injunction, and he cannot be deprived of this statutory right, or the right to call upon the Government to make good its guarantee by the remedy of injunction, by mere "non-use." Certainly the remedy of money damages by an action at law, cannot fulfill the Government's guarantee to exclude infringers.

But it is urged by the petitioner, that even if the patentee's right is absolute and unconditional, and even if it is admitted that he is not obliged to put his invention into commercial use in order to preserve that right, and conceding that the non-use of the invention is no defense to the validity of the patent in an action for infringement, either at law or in equity, and notwithstanding the Government has guaranteed to protect the patentee's right and is under a moral and legal obligation to give complete effect to the patent statute; yet if the patentee fulfills all the obligations on his part, of the patent contract, and exercises his right not to use the invention, and endeavors to exercise his statutory right to forbid others to use it, the Government's Courts of Equity cannot or should not prevent, by the writ of injunction, infringements of the patent and the consequent invasions of the monopoly.

For some reason this position is not insisted upon by Judge ALDRICH in his dissenting opinion, in case of the ownership of a single patent, but it is urged in cases where a patentee or his assigns own two or more patents covering different means for producing the same thing. In other words, the ownership of a single patent confers no right on the public to have the invention thereof put into use, but the ownership of two or more patents requires all of them to be put on the market. It is argued that the public, through the government, having persuaded the

inventor to part with his property, and to disclose his invention, and the government having obtained for the public the immediate benefit of that disclosure and secured to it the right to use the invention after the expiration of the patent, and the public having, in fact, received all it was entitled to receive, may, nevertheless, if the inventor has not put into commercial use one of his inventions, which has been held to be valid and infringed, repudiate its obligations, and refuse to keep the unconditional promises it made the inventor to induce him to part with his property to the extent of the disclosure. Thus permitting the infringers and the whole public, before the expiration of the patent, to use the invention and to deprive the inventor of the very thing and the only thing he was to obtain by his patent, viz., the absolute right to exclude others from the use of his invention during the term of the patent, guaranteed by the writ of injunction.

To accomplish this repudiation, the government's courts of equity, in a suit in which the patentee seeks to enforce his right to exclude others, according to the government's grant, are asked not only *not* to give full effect to the patent statutes, but to impose conditions on the absolute right of the patentee, by reading into the patent statutes the requirement that the patentee must use or work his invention, or show some legal or sufficient reason for its non-use. This is to be done by withholding the only effective means of preventing the invasion of the right of the patentee to exclude others from using the invention, unless the patentee establishes that he has put his invention into commercial use, or shows some sufficient reason for its non-use.

This would be nugatory of the grant. It would destroy the right in whole or part. If the patentee did not put the invention into use, then, every portion of the public could use it, subject only to the right of action at law by the patentee for damages for its infringement, and the public could even continue such infringement, after the action at law had been determined in the patentee's favor. If actual manufacture were made a prerequisite to the protection which the government has guaranteed to an inventor, in his

absolute right to exclude others from using his invention, it would amount to forcing him to grant licenses to others to make, use or sell his invention, leaving the question of compensation, or the amount of compensation, to be ascertained at the end of, not one suit at law, but a multiplicity of suits at law, the expense of which would be prohibitory.

Damages No Adequate Remedy for Infringement—Patentee's Right to Exclude Can Be Enforced Only by Injunction.

The writ of injunction is the only efficient means of giving complete effect to the patent statutes, and of protecting the unconditional right granted to the patentee, to exclude others from using his invention.

And the basis of the jurisdiction of equity to grant an injunction restraining a *continuing* infringement of the patent, is the evident inadequacy of the remedy at law.

Suffolk vs. Hayden, 3 Wall., 315.
Agawam vs. Jordan, 7 Wall., 593.
Bennett vs. Fowler, 8 Wall., 448.
Root vs. Railway, 105 U. S., 205.
Birdsell vs. Shaliol, 112 U. S., 485.
Clark vs. Wooster, 119 U. S., 325.
Motte vs. Bennett, 2 Fish, 642, 645.
Brooks vs. Miller, 28 F. R., 615.
Arlington vs. Curtis, 78 F. R., 878, 879 (Ct. of App., 2nd Cir.).
Stearns-Rogers vs. Brown, 114 F. R., 945 (Ct. App., 8 Cir.).
Fuller vs. Berger, 120 F. R., 274 (Ct. App., 7th Cir.).
Curtis on Patents, Sec. 314.
Robinson on Patents, Sec. 1168.
Walker on Patents, Sec. 685.

The absolute right of exclusion of others than the patentee, is the essence of the patent grant. It is the legal right granted by

statute. When it has been established, as in the case at bar, beyond every defense, equity, which follows the law, must protect the unconditional right and give full effect to the patent statute, because the remedy at law cannot and does not afford the protection guaranteed by the patent statutes.

From the very institution of the patent system, it has been recognized that the only efficient means of *enforcing* the patent right (which, as we have above seen, is simply the right to exclude others), is by the remedy of injunction; and it has been the uniform practice of the United States Courts, if upon final hearing the patent has been found valid and infringed, to support the patentee's right by an injunction excluding the infringer from further unlawful use of the patented invention.

Chancellor KENT (then Chief Justice) said in *Livingstone vs. Van Ingen*, 9 Johns., 507:

"If the legal right be in favour of the appellants the remedy prayed for by their bill is a matter of course. Injunctions are always granted to secure the enjoyment of statute privileges of which the party is in the actual possession, unless the right be doubtful. This is the uniform course of the precedents. I believe there is no case to the contrary; and the decisions in the English Chancery on this point were the same before as since the American Revolution."

Even when the statute made no specific provision for suits in equity by a patentee, to restrain the infringement of his patent, the Federal Courts of Equity exercised their ordinary powers whenever it was essential to protect the patentee's right or to give complete effect to the patent statute.

Sullivan vs. Redfield, 1 Paine (2d Cir.), 441.
Root vs. Railway, 105 U. S., 189.

Reported cases in which injunctive relief on final hearing was granted occur as early as 1796 when *Morse vs. Reed* was decided by Chief-Justice ELLSWORTH, and *Whitney vs. Fort* was decided by Mr. Justice JOHNSON in 1806, both are cited in Livingston vs. Van Ingen, 9 Johns., 507, 533, 587. In both of these cases injunctions were granted in the first instance and subsequently made perpetual.

Many of the cases cited by the petitioner were cases discussing the propriety of granting an injunction *before* the establishment of the complainant's right at law. The question was exactly the same as often arises upon a motion for a *preliminary* injunction. In such a case the Court will not direct the harsh measure of an injunction upon affidavits, unless the complainant shows facts which justify a *prima facie* inference that his rights are valid, such as prior adjudication or long use acquiesced in by the public generally. In the cases cited, and in numerous other cases which might be mentioned, where the question was one of a *preliminary* injunction, the question of use by the complainant of the patent was considered important, for the reason, and only for the reason, that, when coupled with public acquiescence, it afforded *prima facie* evidence of the complainant's right to the patent.

Similarly on application for *preliminary* injunction upon affidavits, it has been recognized by the courts that "irreparable injury" was necessary to justify this extraordinary interposition of the Court. As Mr. Justice BREWER said in *Westinghouse Air Brake Co. vs. Carpenter*, 32 Fed. Rep., 484:

"On an application for a preliminary injunction the court considers always the relative situation of the parties, and the injury or benefit which may result to either from the granting or the refusing of the injunction. Such an order is spoken of sometimes as an execution before judgment, though that is not accurate. It is simply the tying up of the affairs of the respective parties, and holding them in the present state until there can be a full determination. The court will not do that where there is no probability that a final injunction will be given, nor unless it is apparent that some serious injury may result to the complainant unless it is granted."

In *American Nicholson Pavement Co. vs. City of Elizabeth*, 4 Fish. Pat. Cas., 189, 194, Mr. Justice STORY says:

"A preliminary injunction is always an extraordinary exercise of judicial powers. Its purpose is to preserve the existing state of things until the rights of the parties can be fairly investigated. It is not to be used for any other purpose. It looks forward to a trial and when it is of no importance to preserve things as they are when the injunction is asked for, it will not be granted."

But, on *final hearing* upon full proofs, it has always been recognized, that if the Court found the patent valid and infringed, it would interpose by a writ of injunction, and thus enforce the plaintiff's right to exclude. The courts have never found it necessary to discuss the injury to complainant in this connection; but, if validity of patent and infringement were found, the injunction has been granted as a matter of course ever since the establishment of the patent system.

We have cited some of the cases on this point (*supra* pp. 44, 49). To cite them all would be to cite all the decisions of this Court, the Circuit Courts of Appeals and the Circuit Courts, where the usual decree for injunction and accounting has been made on final hearing, and approved on appeal.

It has been fully recognized by the courts, that *the right to exclude conferred by the patent could not be maintained by repeated actions at law for damages*, both because this would simply lead to a multiplicity of suits, very oppressive to the patentee (especially if a poor man), and also because in most patent cases the damages which can be recovered under legal rules are no adequate measure of the damage actually caused by the infringement.

The point is tersely stated in *Motte vs. Bennett, supra:*

"The principle upon which courts of equity have jurisdiction in patent cases, and upon which injunctions are granted in them, is not that there is no legal remedy, but that the law does not give a complete remedy to those whose property is invaded; for if each infringement of the patent were to be made a distinct cause of action, *the remedy would be worse than the evil. The inventor or author might be ruined by the necessity of perpetual litigation, without ever being able to have a final establishment of his rights.*" Citing 8 Ves., 223; 14 Ves., 132; Jacobs' Reports, 472. (Italics ours.)

In *Brooks vs. Miller*, 28 Fed. Rep., 615, it is stated that the right to an injunction is based on avoiding a multiplicity of suits.

In *Fuller vs. Berger, supra*, it is said:

"Injunction, it is evident, is the only means equal to enforcing the right to exclude."

In *Indiana Mfg. Co. vs. Case, supra,* it is stated that the absolute monopoly and unqualified right granted by a patent can only be enforced by the writ of injunction.

Pomeroy Equity Jurisprudence, Sec. 1352, says, in speaking of injunctions against infringers:

"From the nature of the right and of the wrong—the violation being a continuous act—the legal remedy is necessarily inadequate."

The matter is fully stated in *Story's Equity Jurisprudence,* Sec. 931, as follows:

"It is quite plain that if no other remedy could be given in cases of patents and copyrights than an action at law for damages, the inventor or author might be ruined by the necessity of perpetual litigation, without ever being able to have a final establishment of his rights."

Sec. 932 points out that damages would give no adequate relief, and Section 933 continues:

"In addition to this consideration the plaintiff could at law have no preventative remedy which should restrain the future use of his invention—injuriously to his title and interests."

See to the same effect *Edmonds on Patents,* page 354; *Curtis on Patents,* Fourth Edition, page 400.

Mr. Justice ~~Bradley~~ Matthews, in *Root vs. Railway,* 105 U. S., 189, said: "that the most general ground for equitable interposition is to insure to the patentee the enjoyment of his specific right by injunction against the continuance of the infringement."

And this Court, in *Birdsell vs. Shaliol,* 112 U. S., 485, after holding that, in addition to paying damages, an infringer may be enjoined from future use and be ordered to deliver up the infringing machine to be destroyed, quoted with approval the following views of Vice-Chancellor Wood, afterwards Lord Chancellor, in *Penn vs. Bibby,* L. R., 3 Eq., 308:

"The patent is a continuing patent, and I do not see why the article should not be followed in every man's hand, until the infringement is got rid of. So long as the article is used, there is a continuing damage."

In discussing the propriety of a grant of preliminary injunction, the Courts have often pointed out that *damages are no adequate remedy for the infringement*, and that an injunction is necessary to prevent the continuing trespass.

In *Allington & Curtis Mfg. Co. vs. Booth*, 78 Fed. Rep., 878, 879, the Circuit Court of Appeals for the Second Circuit says:

"The principle upon which all injunctions are granted in patent cases, preliminary and final, is that an action at law does not give a complete remedy to the complainant whose property is invaded. The infringement of a patent is a constantly recurring grievance, which cannot be adequately prevented but by an injunction."

The Court quotes Story, Eq. Jur., and then proceeds:

"A decree for damages and profits in an equity cause would fall short of adequate redress to the patentee. He is entitled to an injunction as well as to an accounting of damages, and profits. It does not lie with the infringer to say that the owner of the patent will be fully compensated by a money recovery, and ought to be satisfied thereby. It is for the latter to say whether he prefers an injunction, or a money recovery, or both."

In *Stearns-Roger Mfg. Co. vs. Brown*, 114 Fed. Rep., 939, 945, the Circuit Court of Appeals for the Eighth Circuit says:

"A continuing trespass is always good ground for the issue of an injunction in the absence of countervailing considerations, because a multiplicity of suits for damages is never an adequate remedy for the loss which constantly repeated trespasses entail."

In *Carter & Co., Ltd. vs. Wollschlaeger*, 53 Fed. Rep., 573, 577, Judge COXE says in speaking of a preliminary injunction:

"The court fully appreciates all that has been urged as to the harsh and arbitrary character of the remedy prayed for, and yet, remembering the innumerable obstacles which beset a recovery of damages and profits, it must be conceded that an injunction is the only adequate remedy left open to the inventor."

Similarly, *Walker on Patents*, Fourth Ed., Sec. 685, in treating of preliminary injunction, says:

"While the judges fully appreciate the harsh and arbitrary character of a preliminary injunction in a patent case, they also

know the innumerable obstacles which beset a recovery of damages or profits, and that there is generally no adequate remedy for infringement *pendente lite*, other than a preliminary injunction."

In short, it has been fully recognized that *the patentee's right to exclude*, if sustained by the Court, is substantially synonymous with *the grant of an injunction* ordering such exclusion, and that to deny the injunction on final hearing is tantamount to *refusing* the very right to exclude which is *asserted* by a finding that the patent is valid and has been infringed,—in other words, the Court, holding that the patentee has the right to exclude, would be in the position of refusing him the only practical means of enforcing that right.

In no respect do the foregoing considerations apply less to the protection of a patent which is not being actively used than to that of one which is in such use. The multiplicity of suits is the same, and the " obstacles besetting a recovery of damages and profits " are the same ; in fact, it is hard to say how any damages at all could be recovered in a case like the present.

Chancellor's Discretion to Refuse Injunction May Not Be Arbitrarily Exercised.

It is true that the grant of an injunction rests in the discretion of the Court, and terms may be imposed as a condition of the grant, but the Court cannot arbitrarily exercise that discretion when the legal right has been established beyond question, nor impose such terms as would virtually deprive a patentee of his statutory right and inflict irreparable injury upon that right, which by its very nature demands protection by injunction. It would be directly contrary to the " course and principles of equity " which are invoked to protect patent property, where it is admitted the remedy at law is not as complete and efficient as that in equity, and does not give complete effect to the patent statutes.

If a Chancellor may hold that a patent is good and valid, and thus establish the patentee's absolute statutory right and the public's obligation to exclude others from the use of his invention, and

yet may refuse to enjoin infringers of the right, on the sole ground of the patentee's failure to put his invention into commercial use, or to satisfactorily explain to the Chancellor his reason for that non-use, then equity acknowledges the existence of an absolute right and an obligation, but refuses the only adequate remedy by which that right may be protected and the obligation performed.

This is contrary to the maxim that "equity suffers not a right without a remedy" which is adequate, complete and efficient to the ends of justice and its prompt administration, and also the maxim that "equity delights to do justice and not by halves."

Moreover, the patentee's statutory right being clearly established, equity has no power to modify or change that right. The maxim that "equity follows the law" is applicable.

A court of equity has no direct power to modify the patent statute by demanding that an inventor shall put his invention into use, or license another to use it, and certainly a court of equity should not and cannot exercise this power indirectly, by refusing to grant an injunction restraining the infringement of a valid patent, the invention of which is practical and useful, without depriving the patentee of the absolute and unconditional right guaranteed by the patent, and simply for the reason that the patentee does not use the invention himself and does not give any reason or explanation for its non-use, or cannot agree with those who wish to use that invention, or all of his patented inventions producing the same result. This would be in effect a modification of the patent statute and entirely destructive of patent property. Not only destructive of patent property, but it would have a tendency to prevent the "progress of science and useful arts," inasmuch as it would in a measure discourage inventions or prevent their disclosure to the public.

Furthermore, the government or the public is not requesting the Chancellor to repudiate its obligations to the patentee, by withholding the writ of injunction, but the application is made as the last resort of an infringer, a wrongdoer who has been unable to establish the invalidity of the patent or the fact that it has not infringed

the same, in order that it may continue its wrongful and unlawful acts. And the chancellor is requested to practically nullify the grant, where, as in the case at bar, the evidence discloses that no wrong has been perpetrated upon any portion of the public; where no portion of it has been injured, and where no portion of it has been deprived of any right or benefit to which it was legally and equitably entitled.

The inventor's right to exclude the public from using his invention during the term of the patent, being the substantial right granted by the patent, being an absolute and unconditional right, and being established beyond all legal and equitable defenses, the Chancellor must and should make good, by the writ of injunction, the guaranty, which is part of the grant, to exclude the public from the use of the invention during the term of the patent.

It has been shown above that the right to damages in an action at law is neither a full, complete nor adequate remedy for the continuing infringement of a patent. Such action certainly does not result in the exclusion of others, and this being so, it is not a fulfillment of the Government's guaranty. That guaranty amounts to nothing if it is not enforced by the writ of injunction.

Intent of the Constitution and Patent Statute is Perverted if Patentee Deprived of Writ of Injunction on the Ground of Non-use.

It is urged by petitioner and by Judge ALERICH that the constitutional provision relating to patents was intended " to promote the progress of science and useful arts," for the purpose of benefitting the public; that such was the intention of Congress in passing the patent statutes under that constitutional provision; that such purpose and intent are not effected and the public does not derive the intended benefit unless the patentee puts his invention into use; that if he withholds it from use, without sufficient reason or explanation, the non-use is unreasonable and harmful; and that under such circumstances it is against the principles of equity to

grant an injunction excluding the public from using the invention against the will of the patentee.

Certainly the intent of the Constitution and patent statutes that the grant shall be *exclusive*, is not effected by permitting every one to use the patented invention, and relegating the patentee to a continuing action, or a multiplicity of actions at law for continuing infringements, during the life of the patent, simply because he has not put his invention into commercial use.

As previously pointed out, the intent of the constitutional provision and the statutes, is complied with, and the progress of science and art promoted, by obtaining the inventor's secret and property through the disclosure of the invention by the patent specification and drawings. The patent statutes were passed, not solely to benefit the public, but to benefit and reward the inventor by guaranteeing him the right to temporarily exclude the public from the use of the invention, without imposing the condition that he shall put the invention into commercial use.

The public is benefitted, not only by the immediate disclosure of the invention, but by the right to exercise the invention after the patent expires.

Why then are not the intent and purpose of the constitutional provision and the statutes fully carried out, even if the inventor withholds his invention from commercial use? The public is not deprived of anything which the Constitution or the patent laws intended that it should acquire prior to the expiration of the grant, and therefore it has suffered no wrong or injury. To sustain the petitioner's contention, would result in revolutionizing the Patent system of the United States by judicial decision or construction.

Asuming that it was the intention and purpose of the framers of the Constitution and patent acts, and that such intention is implied therein, that patentees should be deprived of the fundamental right to exclude others by injunction, if the invention is not put into use, what is the character of the use required? Must it be commercial? If so, to what extent must the invention be used? How long can the patentee or owner delay? Would the granting

of a single license under the patent, or the manufacturing and putting into commercial use of a single machine or specimen of the patented article, retained in the possession of the patentee, be sufficient? If so, how would the public be really benefitted by that manufacture and commercial use, or the arts and sciences be promoted? If the intention that the patentee should put his invention into some kind of use, is to be implied from the Constitution and the patent acts, certainly no explanation of non-use, however reasonable, could override the clear intent of the Constitution and patent laws.

Taking the whole hypothetical structure of facts on which Judge ALDRICH's dissenting opinion is based, his entire argument rests on the assumption that the public has been deprived of the benefit of the use of one of a patentee's, or patent owner's, inventions which produce a certain product, by the patentee's, or the owner's, failure to put that single one of his inventions into commercial use or to permit others to do so, and therefore the public has been wronged or harmed. But, as we have pointed out, the public has received all the benefit it is entitled to, and the patentee is within his constitutional and statutory right not to put his invention into commercial use, and is entitled to protection of that right by injunction.

Surely no wrong or harm to the public can be predicated upon the absolute right which Congress has secured to an inventor under the constitutional provisions in relation to patents, and certainly it is not against equitable principles to enforce that right. On the other hand, refusing to restrain infringers, and indirectly allowing them to use the invention, and leaving the patentee to his remedy of damages, would not give the exclusive right contemplated by the Constitution.

To adopt the rule that a patentee must establish that the invention of his patent has been put into commercial use, or explain its non-use, before a court of equity will preserve the unconditional right guaranteed by the patent laws, by excluding infringers upon that right; or to hold that the failure, for several years, of an inventor to put his invention into use, has deprived the public of a

benefit to which it was entitled, and therefore has resulted in such harm and wrong to the public as to deprive the inventor of his absolute right, and of the only means of preserving or protecting it, would be a reproach to equity, because it would be a fraud upon the inventor, and would be out of harmony with the principles which this Court has announced should govern in the construction of the patent acts, and the relations between the patentee and the public.

And no legal, equitable, or logical distinction can be made between the owner of a single patent, and the owner of two or more patents covering alternative constructions.

If the petitioner's contention shall broadly prevail, respondent's bill will be dismissed, on the exceedingly technical point of lack of jurisdiction in equity, and respondent will be relegated to a new action, and a multiplicity of actions, at law until the infringement has ceased, and limited to the recovery of damages accruing within six years prior to the commencement of each action. Respondent will thus be deprived of damages covering a period as long as that during which this suit has been pending, unless this Court should find that the method of recovery at law would not be as efficient, and the actual recovery as complete and adequate, as in this suit, in which case jurisdiction of the bill should be entertained for the purpose of an accounting for profits and damages.

Root vs. Railway, supra.
Kilbourn vs. Sunderland, 130 U. S., 505.
Judge Putnam's opinion herein.

VII.

The Court will not attribute the character of "wrongful" or "unreasonable" use to mere "non-use" of a patent.

If it be true, as we have shown, that mere non-use will not deprive the patentee of his right to injunction under the patent, *a*

fortiori the Court will not attribute to such non-use "wrongful" or "unreasonable" characteristics. Since the patentee has exclusive rights under the patent, and since there is no condition that he should make use of it during its term, the Court will not inquire into his *reasons* for making no use of it. This seems apparent.

A company might buy a patent with the intention of using the invention thereof, but subsequently conclude not to use the invention, because it proved on investigation to be too expensive to build the new machines and substitute them for those previously in use. Or, on the other hand, it might buy the patent with no intention of using it, but in order to protect itself from the competition of a rival machine. It is clear that the Court cannot differentiate between mere *motives* in such cases, and that the monopoly which the patent has granted will be equally sustained in either case.

There is a fundamental confusion of thought in Judge ALDRICH'S opinion. He appears to suffer from the apprehension that a company may "monopolize" a certain class of machines by *acquiring all the patents* on different forms. Yet his opinion is based on the "*wrongful*" *non-use* of the patent. He does not appear to see that, where a man owns two patents, the "monopoly" in excluding others from the field, is just the same in case the owner himself makes use of both of the patents as if he used only one. Evidently, the "non-use" of one of two patents has nothing to do with the "monopoly" under the two patents.

The underlying thought of the opinion undoubtedly is that it is *wrong* for a man who manufactures under one patent, to seek to exclude others from the use of another form of machine protected by another patent which he himself owns, but is not using. We entirely fail to see anything wrongful in such conduct. The patent, as we have seen above, is property, to be protected like any other property. The man in acquiring the patent has acquired the right to exclude others from the use of the invention—nothing more and nothing less. That right is not conditioned on his making use of

the invention himself ; and it is reasonable and proper that he should enforce his right.

It has constantly been held that the Courts in enforcing rights under patents will not inquire into the complainant's *motives* in acquiring or enforcing those rights.

In *Strait vs. National Harrow Co.*, 51 Fed. Rep., 819 (cited and approved in *Connelly vs. Union Sewer-pipe Co.*, 184 U. S., 540, 546), where it was alleged that the patentee had entered into a monopolistic combination with other manufacturers, Judge WALLACE said :

" The party having such a patent has a right to bring suit on it, not only against a manufacturer who infringes, but against dealers and users of the patented article, if he believes the patent is being infringed ; and the motive which prompts him to sue is not open to judicial inquiry, because, *having a legal right to sue, it is immaterial whether his motives are good or bad*, and he is not required to give his reasons for his attempts to assert his legal rights. ' The exercise of the legal right cannot be affected by the motive which controls it.' *Kiff v. Youmans*, 86 N. Y., 329."

In *Brown Saddle Co. vs. Troxel*, 98 Fed. Rep., 620, the answer in a patent suit contended that the complainant was part of an illegal trust. Judge TAFT held :

" Secondly, the averment that the complainant is part of a combination or trust is irrelevant and impertinent, for the reason that it is no ground for denying relief for continued trespasses by a third person upon the property of the complainant. The fact that a corporation is part of an illegal combination or trust cannot justify the spoliation of the property which belongs to it by third persons. It is merely seeking by its bill to preserve its rights in its own property. *What it may do with that property, or is doing with that property, cannot deprive it of its right to invoke the protection of the court against trespass and infringement.*"

See to the same effect *National Folding Box & Paper Co. vs. Robertson*, 99 Fed. Rep., 985, 988 (TOWNSEND, J.); *American Soda Fountain Co. vs. Green*, 69 Fed. Rep., 333 (DALLAS, J.); *Edison Electric Light Co. vs. Sawyer-Man Electric Co.*, 53 Fed. Rep., 592, 598, C. C. A., Second Circuit ; *Bonsack Machine Co. vs. Smith*, 70 Fed. Rep., 383, 386 (SIMONTON, J.).

The Courts have dwelt upon the essentially monopolistic nature of a patent, and the right of the patentee to deal with it as he sees

fit, often, as we have pointed out, referring to the fact that he is under no obligation to use the invention. *Bement vs. National Harrow Co., supra*, is important on this point. This was an action on a contract of license under certain patents, which contract was alleged to be invalid as being in restraint of trade, on account of sundry provisions therein. This Court said (p. 88) :

" An owner of a patent has a right to sell it or keep it ; to manufacture the article himself or to license others to manufacture it ; to sell such article himself or to authorize others to sell it."

See, also, quotation (*supra*, p. 42) from this case.

Similarly in *Rubber Tire Wheel Co. vs. Milwaukee Rubber Works Co., supra*, 142 Fed. Rep., 531, 536, Judge SANBORN says :

" The Constitution, in the interests of invention, grants to the patentee the absolute right to exclude or debar the world from making, using and selling his device ; and Congress by passing acts in aid of powers given it, like the power to regulate commerce, cannot interfere with this constitutional right of *exclusion*, embargo or inhibition. Having the absolute power of *complete exclusion*, the proprietor may exclude, conditionally or in part, by imposing limits as to time, place or persons. He may deal arbitrarily, may sell or withhold from sale, vend to one at one price and to another at a different price, permit use in one state and not in another, give reasons or not, or deal fairly or unfairly ; and in doing all or any of these he is within his right, until the patent expires or is avoided, or the articles pass beyond the limits of his monopoly. He may even bring nonpatented articles within his monopoly by providing that the patented device shall be sold only in connection therewith. *All this is so well settled*, not only as to patents, but copyrights, secret process remedies and trade secrets, that it is only necessary to refer to a few cases." (Italics ours.)

In *Fuller vs. Berger, supra*, 120 Fed. Rep., 274, the Court explicitly disapproved the doctrine of *Hoe vs. Knap*, and after quoting from the decision of this Court in *Bement vs. National Harrow Co.* (*supra*) said :

" *So non-use is not a defence in equity.*"

The Court then proceeded, as above quoted, to point out that the patent simply granted the right to exclude others from the invention, and then said (p. 279) :

" Now, if the complainant in a patent suit is seeking merely to enforce his right to exclude, according to the terms of the government's grant, *an inquiry into what use (or lack of use) the in-*

ventor is making of his natural right would seem to be clearly collateral and irrelevant. And if the right to exclude is the substance of the grant, it is a legal right. And in determining legal rights, equity follows the law. And if a legal right is established beyond every defense, legal or equitable, available to the defendant or to the court on its own motion, equity must grant appropriate relief if there is no adequate remedy at law. Injunction it is evident, is the only means equal to enforcing the right to exclude."

Judge GROSSCUP in dissenting (p. 281) put his dissent expressly upon the ground that "pernicious" use was different from mere "non-use."

The foregoing cases clearly decide that a patentee's right to exclude is absolute, and that the Court will not attribute to mere non-use any characteristics of being "wrongful" or "unreasonable."

See additional extracts from the following cases (Brief, *supra*, pp. 40, 42, 46-49):

United States vs. American Tel. Co., supra.
Bement vs. National Harrow Co., supra.
Good vs. Deland, supra.
Rubber Tire Wheel Co. vs. Milwaukee, supra.
Fuller vs. Berger, supra.
Indiana Mfg. Co. vs. Threshing Machine Co., supra.
Fastener vs. Eureka, supra.
Walker on Patents, Sec. 154.

Both the dissenting opinion of Judge ALDRICH, and the brief of petitioner's counsel, seem to admit that mere "non-use" is no bar to the enforcement of the patent right.

Petitioner's counsel says that the patentee should not obtain an injunction if his non-use of the invention has been "long and unreasonable"; but there is no authority whatever for such a distinction, and if a patentee has the right to use or not to use as he pleases (which many cases have pointed out), the Courts obviously will not classify his non-use as "wrongful" or "unreasonable." Judge ALDRICH's position appears to be, in last analysis, that a man cannot enforce an unused patent if he owns and is operating under another patent. But why respondent's ownership of another patent should affect its right, one way or another, to an injunction under the patent in suit, is entirely inexplicable, and no case can be cited in favor of such a proposition.

PART SECOND.

INFRINGEMENT.

THE COURT BELOW WAS NOT IN ERROR IN HOLDING THAT THE INVENTION OF CLAIMS 1, 2 AND 7 OF THE LIDDELL PATENT WAS OF SUFFICIENT BREADTH TO COVER THE DEFENDANT'S MACHINE.

I.

Statement.

Both the Circuit Court and all of the Judges of the Circuit Court of Appeals have found that the real invention of Liddell, as embodied in Claims 1, 2 and 7, has a wide scope, and that the defendant's machine clearly comes within that invention and the said claims.

The petitioner apparently admits, in this Court, that Liddell's patent is valid, but now contends, as it did in the Circuit Court and the Circuit Court of Appeals, that his invention was only a slight mechanical improvement on the prior art, and contends that as "defendant's machine can be 'differentiated,' the charge of infringement cannot be maintained."

Petitioner alleges that certain decisions of this Court have been ignored by both of the lower courts in deciding this case. It is submitted that the decisions of the Circuit Court and Circuit Court of Appeals, on the scope of the invention of the Liddell Patent, and its infringement by the petitioner, are not inconsistent with any of the decisions of this Court.

The petitioner's argument in support of its proposition is simply a reargument of its case in the Circuit Court and Circuit Court of Appeals. Moreover, the petitioner's argument assumes certain facts on the question of novelty of the Liddell invention and the question

of resemblance between that invention and petitioner's machine, as being established in the petitioner's favor, which both the Circuit Court and the Circuit Court of Appeals have found against the petitioner.

Both the Circuit Court and the Circuit Court of Appeals have found, as a matter of fact, that the petitioner's evidence was insufficient to overcome the presumption of priority of invention of the patent in suit. That the invention was a broad one, and that the evidence disclosed no material difference in structure and mode of operation and results, between the petitioner's machine and the machine of the patent.

They thus found as matter of fact, on the evidence, that petitioner's machine could *not* be "differentiated" from that covered by the claims in suit.

The decisions of the courts below, on these matters of fact, if there was any evidence whatever to support them, will not be re-examined by this Court.

In *Bement vs. National Harrow Co., supra,* the Court said :

"In this court we are concluded by the findings of fact made in a state court *in a suit in equity* as well as in an action at law."

The question, therefore, before this Court is one of law as to the breadth and scope of the invention, as embodied in claims 1, 2 and 7 of the Liddell Patent.

With regard to the novelty of Mr. Liddell's invention and the scope of his claims, every imaginable and some unimaginable defenses have been urged in this case. But while using every weapon of attack which could occur to an ingenious mind, the defense most relied upon in the lower Courts, and which will doubtless be earnestly urged in this Court, was that in view of the fact that nineteen patents had been previously granted for machines intended to perform the same operation in the manufacture of a paper bag, which is performed by Liddell's machine, the claims of the patent must be construed so as to limit them to the specific and actual construction illustrated in the drawings of the patent, so that slight va-

riations from a literal embodiment of Liddell's exact illustrated construction, such a variation, for example, as is found in the petitioner's machine, would free it from the charge of infringement.

Now, of course, the questions of construction, and of the real breadth and importance of the patented invention, are inexplicably associated together, and we shall fully discuss both the natural construction of the patent from the matter appearing within its four corners, and the bearing of prior developments in the art upon the structure described in the patent, both as affecting its novelty and its dignity and importance in the art. But before taking up an analytical discussion of these questions we desire to place before the Court the economical and business situation which made this Liddell patent one of great value.

At the time Liddell's invention was made, the business of manufacturing what are known as the square satchel bottom bags or square self-opening (S. O. S.) bags was a closed art, for the reason that all known machines for making such bags were covered by patents. As a matter of fact, there were but two types of machines devised and in existence which were capable of commercially successful use for this purpose ; the one type of machine was that made under the Lorenz and Honiss patents, and the other type of machine was that made under the Stillwell patents.

The two practical machine types were so different from each other, that the later or Stillwell machine did not infringe upon the earlier patents to Lorenz and Honiss.

The situation existing by reason of the dominance of the two sets of patents for this branch of the art, naturally and properly stimulated both capitalists and inventors in the devising and development of some other type of machine, which would avoid infringement of the dominating patents and provide a machine commercially suitable to be used in competition with them. It was for this purpose that Liddell was employed by the respondent, and the one valuable result of its business activity and expenditure of capital was the Liddell Patent, which embodied a machine design, having, it is true, many advantageous and novel features of

construction, all of which are pointed out by the respondent's expert, but the main value of which lay not in the fact that it provided a better machine than those previously in use for making the self-opening square bags, but in that it provided a machine design so *different* in its mode of operation from the then patented machines, that it was independent from the dominance of the earlier patents, and afforded a third practical commercial type of machine which could be used in competition with the earlier machines.

The petitioner in this case wishing to get a share of the profitable business of manufacturing and selling self opening square bags, was confronted with four alternatives, (1) it could use machines which would infringe on the Lorenz and Honiss patents; (2) it could use machines which would infringe on the Stilwell patents; (3) it could use machines which would infringe on the Liddell patent, or (4) lastly, it could endeavor to get up a new machine which would infringe on none of the dominating group of patents. What it did do was to deliberately get up machines embodying in their fundamental features of construction the invention made and patented by Liddell, and it has brought this case to this Court mainly relying on a proposition which is, in substance, that it had a right to use his patented device because he was not actually employing it—but relying also on the proposition that because there were two utterly different commercial types of machines for performing the same work which Liddell's machine performed, and because there were a number of other inoperative and impracticable machine designs aiming at the performance of the same work, this Court will close its eyes to the fundamental novelty of Liddell's invention, and will emasculate his patent by limiting its construction to detailed features, which are not of real importance, and which are specifically referred to in the specification of his patent as unimportant, and are capable of being varied, without departure from the invention which he intended to claim, and for which the Commissioner of Patents under the laws has awarded him claims.

We believe the law as laid down by this Court embodying the

true rule of construction applicable to all patents, is that they should be interpreted so as to properly cover the real invention disclosed in the specification, if in view of the language employed in the document itself, it is possible to so construe them. Without respect to the rank of the invention disclosed in Liddell's specification, it will be apparent to the Court, we believe, that the petitioner's machine distinctly and unmistakeably embodies that invention. But, as a matter of fact, a careful study of the prior art will satisfy this Court, as it satisfied the Circuit Court and Circuit Court of Appeals, that Liddell's invention was one of high rank, in that it embodied a fundamentally novel conception of operative means for accomplishing a valuable purpose, a means so novel that it did not infringe upon any earlier patent granted in this specific branch of the art, and which affords for all time an independent basis and added stimulus for the development of machines of this character which may even be improvements upon it. In this sense the Liddell patent is entitled to a very broad application of the doctrine of equivalents.

II.

The Liddell Patent in Suit, its Invention, Claims and Operation.

The work to be effected by the mechanism forming the subject matter of this patent, is the distention of the forward end of a bellows-folded paper tube, into what is known in the art of making paper bags as a "diamond-fold."

The invention of the patent does not relate to mechanisms employed for the preliminary forming up of the bellows-folded tubes prior to the diamond-folding operation. Nor does it relate to mechanisms for completing the blanks in which the diamond folds have been made, into complete paper bags by subsequent

flattening, pasting and delivering mechanisms, although the patent drawings show, and the specification briefly suggests, ordinary mechanisms which may be used for carrying the blanks forward to the paster rollers, and folding the same. The brief statement of the patent in this last regard is found at page 2, lines 81-95 (R., p. 117), as follows, speaking of the bag blank, after the diamond fold has been made:

"It is then delivered to the rolls S, having pins *s*, thence to the paste rolls Q, T, of which Q applies the paste after having received it from the rolls PP and vat O. The bottom is then folded by the knife *r*, which folds the paper upon itself between pressure-rolls RR. It is quite evident that the delivery, paste and subsequent folding devices may be made in any of the well-known manners, and their particular construction is immaterial to my invention. I do not, therefore, deem it necessary to describe the minute details of these devices, but illustrate them so as to show their relative position in a machine of the class described."

The mechanisms for folding the bellows-folded tube, prior to the diamond-folding action, are not shown or described, as many forms of these are well known, but the patent drawings and description begin at the point where the two feed or guide-rolls DD (shown at the extreme left of Fig. 1, R., p. 113), are engaged in properly delivering the bag blank, consisting of severed portions of the previously formed bellows-folded tube, to the mechanism shown by the patent for operatively and actively making the diamond-fold necessary in the manufacture of the bags in question. These are known in the art as "Self-Opening-Square" bags, or in the abbreviated form "S. O. S." bags, or Deering bags. The Liddell Patent deals only with mechanisms for making the diamond-fold in the manufacture of *such* bags.

(1) Brief Summary of Liddell's Invention.

Liddell's invention was of a mechanism for forming the diamond fold of the Deering Bag from a bellows folded tube, in which the blanks were fed to rotating folding beds supported on a constantly rotating cylindrical carrier, the folding beds being provided with

fingers or grippers, one of which engaged the centre of the lower ply of the blank and held it to the centre of the folding bed, while two other fingers entered the bellows folds so as to engage the lower plies of the blank at the points where the corners of the bottom were to be formed. These *folding beds* constitute what might be called *the passive* elements of the coactive combination, inasmuch as the function of the bed and its coactive fingers, in the formation of the diamond, is simply to hold certain parts of the blank in fixed position, while the *active* instrumentalities, to be described, are imparting certain definite movements to other parts of the blank with reference to the folding bed. It is true of course, that the folding beds are in constant rotative motion and performing the function of transporting the blanks bodily forward, while and after the diamond fold is formed.

The *active* mechanism in the formation of the diamond fold, consists of the *former plate* which, like the folding beds, is provided with blank-engaging fingers, one adapted to take hold of the central portion of the upper ply, while the other two swing into the bellows fold, and engage the corners of the upper ply at points opposite to those engaged by the side entering fingers of the folding bed.

A distinctive feature of Liddell's invention, lies in the fact that his former plate does not bodily share the movement of the folding beds which are successively brought into operative relation to it, but is secured on a pivot or axis which has no motion with the folding bed, but instead is given a relative motion toward and away from the folding bed as that bed moves beneath it.

The forming plate of Liddell's machine has, through its engaging fingers, the function and duty of carrying the upper plies of the blank upward and backward with reference to the lower plies held on the folding bed, so as to distend the mouth of the blank, while at the same time its free edge has the function and duty of defining the crossfold of the diamond. To enable it to perform these functions, the former plate is pivoted at a point remote from its fold-defining or creasing edge, and has a motion imparted to it partly by rotation on its pivotal support, and partly by the recipro-

catory movement of the pivotal support toward and away from the folding bed. Thus the plate is first of all brought to a position of practically parallel registration with the folding bed at the time the blank is fed to the bed, so that the upper plies of the blank are engaged with the forming plate and its fingers, at practically the same time that the lower plies of the blank are engaged by the fingers of the folding bed. Then as the bed moves forward in its rotative path, the former plate rotates on its pivot, bringing the creasing or fold-defining edge of the plate down upon the rear portion of the folding bed, and against the blank on the line where the crossfold is to be formed. The rotative movement, accompanied by a motion of the plate pivot away from the folding bed, then carries the lower edge of the plate forward with the folding bed, the plate itself in effect turning backward exactly as though it were pivoted to the folding bed on the line of its creasing edge, the pivot rising until the plate stands perpendicular to the folding bed, and then falling as the plate, in effect, turns backward from the perpendicular position. This continues until the diamond is practically spread out and formed, after which the motion of the folding bed disengages the blank from the forming plate and carries it forward to be completed in bag form by other mechanism, while the folding-plate is returned to its original blank-engaging position with reference to the next succeeding folding bed.

While Liddell's invention is, of course, not basic in the sense of covering the first machine ever produced to make self-opening square bags by machinery, yet it is broad, and the patent contains broad claims, co-extensive with the invention, because it is the *first* in the art describing a machine for making the S. O. S. bags, in which the difficult or critical part of the machine —that involving the mechanism for making the diamond fold—consists of the combination of a *continuously rotating cylinder* and *oscillating-former plate*, each provided with folding fingers, and both *arranged to co-operate* in making the diamond fold, by carrying out the *relative movements* described in the patent. If the patent is given a fair construction and scope, no matter whether we

call it basic, primary or broad, or even merely entitled to be construed as covering obvious mechanical equivalents, the question of infringement of the claims in suit, by petitioner's machine, becomes, mechanically and from a patent-law standpoint, a simple one, in spite of slight differences of operation, and of reversal of some of the moving parts.

(2) Claims 1, 2 and 7 in Suit.

The Liddell Patent is fully considered by respondents' expert witness, Melville E. Dayton, in his testimony on respondents' opening case (R., Vol. 1, pp. 28–36).

Claims 1, 2 and 7 are the only claims on which respondents' testimony as to infringement was based.

For the purposes of this case, including validity and infringement, both parties have considered these three claims as practically the same. Thus, Judge Putnam says in his opinion (R., Vol. 2, p. 1890; 142 F. R., 487):

"*In line with the frankness with which the court has been dealt with, the respondent stated at the hearing that these three claims are so near alike that the question of infringement is the same in respect to all of them, as is also the question of validity; therefore we will confine our explanations to the first claim.*"

We have italicized and numbered the several separate elements of the construction, in the several claims, reading as follows:

1. In a paper-bag machine, the combination of (1) a *rotating cylinder* provided with (2) one or more *pairs of side-folding fingers* adapted to be moved toward or from each other, (3) a *forming-plate* also provided with (4) *side-forming fingers* adapted to be moved toward or from each other, (5) *means for operating said fingers* at definite times during the formative action upon the bag-tube, (6) *operating means for the forming-plate* adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder, the whole operating for the purpose of opening and forming the bottom of the bag-tube, and (7) *means to move the bag-tube* with the cylinder.

2. In a paper-bag machine, the combination of the (1) *rotating cylinder* provided with one or more (2) *pairs of side-folding fingers* adapted to be moved toward or from each other, (3) a *forming-plate*

also provided with (4) *side-forming fingers* adapted to be moved toward or from each other, (5) *means for operating said fingers* at definite times during the formative action upon the bag-tube, (6) *operating means* for the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder for the purpose of opening and forming the bottom of the bag-tube (7) a *finger* moving with the forming-plate for receiving the upper sheet of the tube and lifting it during the formative action (8) *power devices* for returning the forming-plate to its original position to receive a new bag-tube, and (9) *means to move the bag-tube* with the cylinder.

7. In a paper-bag machine, the combination of the (1) *rotating cylinder* for the bag-tube provided with one or more (2) *pairs of folding fingers* adapted to be moved toward or from each other (3) *a forming-plate* also provided with (4) *forming-fingers* adapted to be moved toward or from each other (5) *means for operating said fingers* at definite times during the formative action upon the bag-tube (6) *operating means* for the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder for the purpose of opening and forming the bottom of the bag tube, and (7) *connecting mechanism for timing the movements* of the rotating cylinder and the forming-plate.

(3) Liddell Claim 1.

Referring in more detail to the elements of claim 1 above set forth, the first, viz., a *rotating cylinder*, is the rotary mechanism on which are located the folding-bed portions, two such on the cylinder illustrated in the Liddell Patent, which is what is called a two-bag cylinder, and upon which the blanks are carried while the diamond is being opened and formed. The second element, "*one or more pairs of side-folding fingers*," is shown in Liddell Patent as the fingers GG, mounted on pivots and intended to swing into the side-folds or tucks of the blank. The third element of claim 1, the "*forming-plate*," is shown in Liddell Patent as the oscillatory forming-plate E provided with axes, one, an axis of support *e*, situated outside and independent of the cylinder, and another axis at its edge W, existing as such only at the time of its operation in forming the diamond on a bag-tube (Dayton, R., Vol. 1, p. 47). The fourth element of claim 1 of the Liddell Patent, the "*side-forming fingers*," are those belonging to the forming-plate, and lettered H H in the draw-

ings, and pivoted to said plate, outside the path of the blank, and adapted to swing into the tucks on opposite sides of said blank (Dayton, R., Vol. 1, p. 49). The fifth element of claim 1, "*means for operating said fingers at definite times during the formative action upon the bag-tube,*" is found to be the spring J and also the stationary cam I, etc., as specified, but any other effective means are also included, as Mr. Dayton says (R., Vol. 1, p. 49):

"The forms and arrangements of cams for producing the same movements of corresponding parts are exceedingly various in the mechanical arts, and afford a wide range of choice to the constructor" (R., Vol. 1, p. 50).

The sixth element of claim 1 is "*operating means for the forming-plate adapted to cause said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder.*" The means shown in Liddell Patent answering to this sixth element, are the cam K^1 for lifting the arms F, and the gears N M M, rack-wheel M^1, and cam K, with the connections k k^2 between the cam K and the rack-wheel, but it should be noted particularly that the statement of the claim involves the broad term "*operating means*" and that no specific designation of mechanisms or of lettered parts is used in the claim. On that point Liddell's specification, page 2, lines 6–13, says (R., Vol. 1, p. 117):

"In place of these devices for controlling the movement of the plate E relatively to the cylinder C, the said plate may be moved or operated *by any other means.* The return movement of the plate E is unimportant, so long as it is secured in time to receive a new bag-tube, or section thereof."

This last sentence is important, emphasizing the fact that Liddell's broad invention is equally embodied where the forming-plate *rotates* continuously around its axis *e*, to return to its point of beginning operative work on the bag-blank, or where said forming-plate *oscillates backwards* in its return movement, provided the place of beginning work is reached in time for the incoming new bag-tube or section thereof to be met operatively by the forming-plate, and provided said forming-plate in its operative or co-acting

relations with the revolving cylinder in making the diamond fold, oscillates or has the movement of a pendulum, even if only in one direction, and during its active work "about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder," as the claim says. (Dayton, R., Vol. 1, p. 50).

The seventh element of claim 1 is "*means to move the bag-tube with the cylinder.*" The means shown for this purpose in the drawings of the patent, are of two kinds. The kind intended and adapted for handling detached bag-tubes, is a central vibratory clip or nipper, mounted on the cylinder and revolving therewith, and designated as the nippers *c* of the patent, and this form of said means is the only form of importance in this case (Dayton, R., Vol. 1, pp. 50, 51).

(4) Liddell Claim 2.

This claim contains nine elements, of which seven are identical with the seven elements of claim 1, and two are additional. The additional elements are the seventh and eighth, the seventh being "*a finger* moving with the forming-plate for receiving the upper sheet of the tube and lifting it during the formative action," and the eighth element being "*power devices for returning the forming-plate* to its original position to receive a new bag-tube."

This *finger*, forming the basis of the seventh element of claim 2, is the finger E^1 shown in Figs. 3, 4, 5, 6, 7 and 8 of the Liddell Patent, and illustrated in Figs, 3 and 4 as attached to the side of the forming-plate E, opposite the creasing edge W of said plate. The free end of the finger projects towards the incoming, partially open end of the bag-tube, so that the upper sheet of the tube passes over the finger, as illustrated by dotted lines in Fig. 3. When the adjacent side or edge of the forming-plate is lifted by the arms F, finger E^1 also rises and performs the function mentioned in the claim, of "lifting it (the upper sheet of the tube) during the formative action" (Dayton, R., Vol. 1, p. 51).

The eighth element, or second additional element, of claim 2, viz. "*power devices for returning the forming-plate to its original posi-*

tion to receive a new bag-tube," are shown in the patent as, in part those by which the forming-plate is swung in the opposite direction. That is to say, the gears N M M, rack-wheel M^1, rod *k*, link k^2 and cams K and K^1, are concerned in this return movement of the forming-plate, as the specific mechanisms shown in the patent for bringing it back, but the descent of the arms may be produced wholly or in part by their weight which, if insufficient, may be augmented by a spring or springs, of which one is illustrated at F in Fig 1.

(5) Liddell Claim 7.

Claim 7, contains seven elements, and differs from claim 1 in only one material respect, viz., that it omits words of reference to the seventh element of claim 1 ("means to move the bag-tube with the cylinder"), and includes in its place the element of "*connecting mechanism for timing the movements of the rotating cylinder and the forming-plate.*" The mechanism forming the basis for this seventh and last element of Liddell's claim 7, will be recognized by the statement that the shaft L, carrying the cams K and K^1 through which the arms F and the gears thereon are controlled, is geared directly to the cylinder C by the gear teeth at M^2, M^3, in Fig. 1. The movements of the rotating cylinder and of the forming-plate will, therefore, be harmonious and adjusted to each other, provided the cams K and K^1 are properly formed for this purpose. The descriptive part of Liddell's specification applicable to these matters is found at p. 1, line 84, to p. 2, line 6 (Vol. 1., pp. 166, 167).

(6) Liddell's Patent Is Broad in Expression and Claims.

It is evident from the statement made above, that no one of the claims in suit is limited to the use of the specific form of mechanism illustrated in the drawings for giving the described movements to the characteristic parts of the combination. It is also evident from a consideration of the detailed mechanisms pointed out in the drawing, as illustrative, or efficient, or operative mechan-

isms, for carrying out the invention, and referable as detailed mechanisms to the broad elements of the claims, that if said claims are to be construed as limited to the details of such mechanisms as shown in the patent, they become of no protective value or force. It is undoubtedly within the skill of mechanics skilled in the art to construct machines embodying the essence of Liddell's invention and construction, and yet to actuate the moving parts by well known mechanical devices, widely different in detail from those shown in his drawings and described in his specification, but clearly mechanical equivalents thereof.

A patent can certainly be very broad in scope, and broad enough to cover very broad differences of details in mechanism, under the doctrine of equivalency, without requiring that it shall occupy the position held by so few patents, of being of a strictly "primary" or "pioneer" character. It is enough in this particular case, if it be given a fair application of the doctrine of equivalents, as the *first machine for making the diamond fold for S. O. S. bags, involving the combination of a continuously-rotating cylinder with a forming plate, not sharing the rotative motion of the cylinder, but oscillating about its rear edge on said cylinder, in regular and properly related and timed succession, to make the diamond fold on the bag blanks.*

The form and phraseology of the claims is proper to give effect to this purpose.

"Any form of words may be employed in a claim for a combination, provided it accurately describes the real invention. To enumerate the elements, and to state explicitly the method of their combination, and the law of their co-operation, constitutes a perfect claim; but such a statement is not always possible. * * * Any language in which he can make his invention so far intelligible to the public that they can practice it themselves, and can perceive the limits of the exclusive privilege he claims, answers the requirements of the law."

Robinson on Patents, Vol. 2, Sec. 526, p. 141.

In *Renwick vs. Pond*, 10 Blatch., 30, BLATCHFORD, J., said:

"Claiming the arrangement of a combination, when the arrangement is such as to produce a given mechanical result of the combi-

nation, is not a claim to a function. The result is not claimed irrespective of the means producing it. The means alone are claimed, and claimed only when specially arranged to produce a given result. This is very far from claiming a function."

See, also,

Brush Elec. Co. vs, Ft. Wayne Electric Light Co., 40 F. R., 833.

Brush Elec. Co. vs. Western Electric Co., 43 F. R., 537.

Brush Elec. Co. vs. Electric Imp. Co., 52 F. R., 975.

Judge PUTNAM says (R., Vol. 2, pp. 1892-1893, 1897; 142 F. R. 479, 489, 493), on this point:

"*As we have said, we are compelled to find on this record that the problem of combining a rotating cylinder with the mechanism which folds the particular paper bag here in question was not satisfactorily solved before it was disclosed by Liddell or by Claussen. In Liddell this novel feature is shown by that portion of claim 1 which is contained within the following words: 'Operating means for the forming-plate, adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder.' It cannot fairly be questioned that the solution of the problem of substituting a rotary movement for a reciprocation in a paper-bag machine intended for this peculiar bag, by whomsoever made the substitution, be it Lorenz, Liddell, Hunter or Claussen, involved invention.*

"*Therefore, what we have to deal with as the pith of Liddell's alleged invention is the combination of a rotating cylinder with means for operating the forming-plate in connection therewith, limited, however, to means which cause the plate to oscillate about its rear edge on the surface thereof. The complainant maintains that Liddell's invention extended to the full breadth of this combination whatever might be the method adopted to cause the forming-plate to oscillate about its rear edge. On the other hand, the respondent maintains that the invention was no broader than the details described in the specification. It is difficult to see on what the respondent can base this proposition.* * * *

"*Nothing in the manner in which the claims are expressed adopts as an element the detailed description contained in the specification. So far as the details of that description are concerned, they come within the ordinary rule of the preferable method. We have nothing in the prior art which narrows Liddell's invention as maintained by the complainant, and nothing to show that the details contained in the specifications are in any way necessary parts of the claims in suit, or that those claims are more narrow than the invention. Therefore, we start with the proposition that Liddell's alleged invention covered every method of combining the rotating cylinder with the forming-ptate by causing the plate to oscillate about its rear edge on the sur-*

face of the cylinder, and that the claims are as broad as the invention. * * *

"We find in his testimony, however, the following pithy expressions, which it seems to us to represent the true nature and breadth of Liddell's invention. Dayton says that, in order to form the 'diamond' while the rotary bed of the cylinder is advancing, the upper fold of the tubular blank must be elevated and turned back towards and over the body of the blank.

"Of course, mechanism which can be kept traveling in one direction, as Liddell's can, may run with greater speed than mechanism which reciprocates, and would ordinarily produce more uniform results. It is hardly necessary for us to refer to proofs on that point, but Stone, the respondent's expert, testifies directly to that effect.

* * * * * * * *

"From what appears as to the state of the art, it must be held that the invention in issue lies in the peculiar suggestion of oscillating the forming-plate on its rear edge, and that, subject to what is claimed by the respondent as to Claussen, Liddell having pointed out how that suggestion could be practically worked out, his invention, his patent and his claims, and his rights against infringers, are as broad as that suggestion. This is a broad application of the laws of mechanical forces and all the rest is detail, which detail can be worked out in the manner pointed out by the specifications, or in any other method."

Referring to the scope of the real invention of Liddell, and the breadth of the claims, the Court of Appeals said (R., p. 1927; 150 F. R., 743):

"These are broadly drawn. The only clause with which we need concern ourselves is that which claims 'operating means for the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder'. The nature of the means is not specified. There is no express reference to the specifications, and in them the patentee twice makes it clear that he does not intend to confine his invention to the particular means described. Thus, he says:

> *'In place of these devices for controlling the movement of the plate E, relatively to the cylinder C, the said plate may be moved or operated by any other suitable means.* * * * *It is evident that the mere mechanism for securing the several movements to the different parts may be modified or changed in various ways without departing from the spirit of the invention, and I do not, therefore, confine myself to the details of construction here shown.'*

"This breadth of claims would imperil the patent were the real invention less broad, but the defendant has not pointed out, and we have been unable to find, any operative combination of a rotary cylinder and a forming-plate oscillating thereon earlier than the patent in suit. If, therefore, the patent is valid, it has a wide scope."

III.

The Operative and Useful Machine of the Patent.

(1) Defense of Inoperativeness.

Inoperativeness and utility are questions of fact which, having been found in favor of the respondent both by the Circuit Court and Circuit Court of Appeals, will not be reviewed by this Court unless there was no evidence to support the findings. The evidence is ample.

The defense of alleged inoperativeness of the machine disclosed in Liddell's Patent in suit, was the one most relied upon by petitioner in its answer filed herein. This defense dwindled through petitioner's expert testimony, and the cross-examination incident thereto, becoming small by degrees and less in vitality, in view of the rebuttal testimony of complainant's expert. It neared its absolute extinction, in connection with the production and operation of the full-sized operative machine offered in evidence as "Complainant's Exhibit, Operative Machine of Liddell Patent in suit." The petitioner practically abandoned this contention on its part, when it was allowed to take surrebuttal testimony with reference to certain matters in issue, and neither demanded nor moved for leave to take surrebuttal testimony as to construction and operation of this operative machine, and failed to take any such surrebuttal, although it called, in surrebuttal *on another point*, its principal expert witness, Stone. This machine, produced and operated in the presence of the Circuit Court on the final hearing herein, in the manufacture of commercial paper bags in any quantities desired, and at a high rate of speed, was absolutely convincing on this question of operativeness, in view of the fact, not then or now denied by petitioner, that this operative machine has been built in close accordance with the disclosures of the Liddell Patent. Referring to this machine Judge Putnam said (Rec., Vol. 2, p. 1890, 142 F. R., 486):

" This is evidently a practical machine, and it is not maintained that it departs from the patent in any essential particular. Therefore, we must find that the machine as described in the patent is practical. While, moreover, the complainant, previous to this litigation, had not practically demonstrated the utility of its machine, yet, if the complainant is correct in its propositions as to infringement, the respondent has shown it; so, that therefore, as to the issues of practicability and utility, there is no difficulty which presents itself to the court. We should also add that we understand the defense is limited as hereinafter stated, so that, in fact, no question is made on the points either of utility or practicability."

This same machine, " Complainant's Exhibit Operative Machine of Liddell Patent," was also operated on the hearing in the Court of Appeals, and was convincing as to operativeness, commercial value, utility and practicability. Indeed, it takes very high, if not the highest, rank in speed and simplicity among all machines ever practically operated to make the S. O. S. bags.

The Court of Appeals held that

" the machine of the patent in suit is mechanically operative as was shown experimentally for the purpose of this suit " (R., Vol. II., p. 1927).

To the above should be added that petitioner assigns no error in respect to operativeness and utility, or in respect to the complainant's exhibit referred to being a fair embodiment of the Liddell Patent machine in respect to the inventive parts of that patent. A large amount of petitioner's record and of respondent's rebuttal thereto, was devoted to these points.

(2) LIDDELL'S PATENT, AND MACHINE MADE THEREUNDER, SHOW UTILITY IN CONSTRUCTION AND OPERATION.

This can be briefly treated, in view of the findings of the Courts below, and petitioner's present attitude.

It seems an amply sufficient proof of the utility of the operative machine produced, that it is capable of making commercial paper bags, in the way described in the testimony, and at such high speed, and with such remarkable results in small percentage of

wastage, and that this evidence has been supplemented and confirmed by practical operation and result, which was reached in the presence of the Circuit Court and Circuit Court of Appeals.

It is also true that as this operative machine fairly embodies, and is representative of, the invention of the Liddell Patent in suit, in respect to forming the diamond folds on S. O. S. bags, then the proved utility of the operative machine, in the practical art, is necessarily and equally convincing of the utility of what is set forth in the patent as Liddell's invention.

It is further true, and persuasive of utility of Liddell's invention, that if the defendant's machines are found to embody that invention, then it is being utilized, on defendant's own testimony, to the extent of about 2,500,000 bags per day (R., Vol. 2, p. 1347, testimony of Elsas, President; see testimony of Stone, R., Vol. 2, p. 1283, Q. 274).

Electric S. & A. Co. vs. Pittsburg Reduction Co., 125 F. R., p. 926.

But the record contains testimony on this point of utility. Mr. Dayton proves utility and value in connection with the exhibit operative machine (R., Vol. 1, pp. 301, 302). He refers (R., Vol. 1, pp. 369, 370) to the only two successful operative machines of the prior art in making S. O. S. bags from tucked paper tubes, viz., the Stillwell machine of Patents Nos. 407,794 and 417,346, and the Lorenz and Honiss machine of Patents 331,722 and 361,951, and says:

"Other machines have been tried and used, to a small extent, but they had failed of survival, as I understand the facts, and today I believe there are no machines devised prior to the date of the Liddell invention, having commercial existence, other than the Stillwell and Lorenz and Honiss machines above mentioned. The performances of the Liddell invention embodied in Complainant's Exhibit 'Operative Machine of Liddell Patent in suit' show that it stands abreast of these two solitary successes of the prior art, even though said Liddell machine be the first made under the patent, and though made under narrowed restrictions to the details shown and described in the patent, for the purposes of evidence in this suit, and not for the purpose of attaining the highest results of which

that invention is undoubtedly capable, when elaborated and refined by mechanical change or by the addition of subordinate and contributory invention."

The above testimony gives opportunity for saying what, indeed, is self-evident, that as an exhibit in this case, to avoid, as far as possible, the captious criticisms which we knew would be made, and which were made, on the Record, in regard to any mechanical changes, or departures from identity with Liddell's actual drawings, this exhibit "Liddell Operative Machine" was constructed without any freedom being given to the mechanical constructor thereof, and that it follows the Liddell identity of illustration in many respects where departure would have been quite permissible. There is no practical doubt but that Mr. Lorenz, given a free hand, could construct an operative machine, also fairly and entirely within the scope of Liddell's invention and patent, and which would produce even more rapid and satisfactory commercial results.

Mr. Dayton sums up by saying (R., Vol. 1, p. 375):

"We have thus, in the Liddell invention, as disclosed in the patent in suit, and in the faithful embodiment thereof, 'Complainant's Exhibit Operative Machine of the Liddell Patent in Suit,' a machine which is radically different from either the Stilwell type of machine or the Lorenz & Honiss machine, above referred to. It is different in principle, in construction, and mode of operation. Said Liddell invention, therefore, contributes to the art of making self-opening square-bottomed paper bags from bellows-folded tubing, something wholly new, and, as shown by the actual machine, something of great value."

(3) Special Points of Advantage in Liddell's Machine.

(A) *Forming plate pivoting gives time to form diamond.*

Mr. Dayton makes a comparison of petitioner's paper bag machine proceeded against in this suit, with the machine of the Liddell Patent in suit, and reaches conclusions, as to certain points of inferiority in petitioner's machine, as compared with that of Liddell, largely resulting from the variation in operative form of the Liddell idea, as embodied in the petitioner's machine

made under the Claussen Patent, and to secure the semblance of non-infringement. A specific inferiority is stated by him to grow out of the fact that "in said defendant's machine the supporting pivotal axis of the forming-plate, while remote from the creasing edge of said plate is *less* remote from said edge than shown in the Liddell Patent" (R., Vol. 1, p. 505). And he then proceeds to state, in detail, the exact reasons and results of this inferiority (R., Vol. 1, pp. 506–509), and in particular he explains that the Liddell method of pivoting the forming-plate gives more time than the Claussen modification, as embodied in petitioner's machines, for accomplishing the difficult operation of spreading out the diamond. Liddell, in fact, in connection with the heavy cylinder or folding-bed carrier, for presenting a succession of folding beds rapidly to the operating forming plate, produced a mechanism which admitted of a very light forming plate, to engage the blank and perform the difficult folding operation while turning over on its edge. The oscillating forming plate of Liddell forms, therefore, a quick-acting, light and simple device for opening out the diamond on the bag blank, and the combination shown is entitled to a very broad construction, in view of absence of prior art. The pivotal action of this forming plate enables the work to be done smoothly and evenly, and also enables the forming plate to stay in contact with the cylinder for a comparatively long time in co-operative working relation. The peculiar movements of the forming plate, on its pivotal axis, and its working axis, involving the double movement and the "somersault" described, are readily perceived to be advantageously accomplished in rapidly running mechanism only by a comparatively light forming plate, and utility is demonstrated and enhanced by this element combined in the Liddell mechanism, which is taken advantage of by petitioner in its machines. Under the Liddell Patent it is obvious that the pivot of the forming-plate could be located closer to the creasing edge thereof, but any such change in the location of the pivot necessarily shortens the available time for opening the diamond. Petitioner does so locate the pivot, and shorten the time, disadvantageously, but driven thereto by the

necessities incident to its use of pivoted folding beds on the cylinder surface as in petitioner's machine.

(B) *Heavy cylinder rotates and light plate oscillates.*

It is good mechanics always where possible, to make the heavy parts of machinery continuously rotating, thus avoiding the forward and backward jerking necessarily incident to reciprocating or oscillating motion of heavy parts, while it is similarly good practice to make the lighter parts reciprocating or oscillating, in order to save distance of travel, when this can be done. Applying this to the Liddell Patent machine, and to petitioner's machine, we have the heavy cylinder rotating or revolving continuously in both, whereas the light forming-plate is oscillated, thus complying with the above suggestion of mechanical advantage.

An admission by Mr. Stone, bearing directly on this feature of the Liddell machine, although probably he did not so mean it, is found in the record (R., Vol. 2, p. 1136), in his statement made in comparing the petitioner's machine with others.

" Mechanism that can be kept traveling in one direction, can be run at greater speed than mechanism that has to be stopped and reversed in its operation. Also mechanisms that run continuously in one direction would produce more uniform results. The Walker Model Room machine (defendant's machine) has fewer reciprocating and vibratory parts than either the Stilwell or the Lorenz and Honiss machine ; and I believe, with the same expenditure of care and supervision could be run continuously at higher speed, and that on account of the nature of its elements, would produce more uniform product than either of the before-mentioned machines. In the Lorenz and Honiss machine, the paper bag blank, in some instances, is moved with a jerky motion, which tends to imperfect work, and in the Stilwell machine the direction of travel of the paper bag blank is at several stages materially changed, which change is conducive to irregularity of product."

All of the above is absolutely applicable to utility and value of the Liddell machine, in view of the fact that petitioner's machine derives these very features of advantage on which stress is laid by the expert Stone, from the Liddell Patent.

(C) *Solid forming plate aids operation.*

It is also an advantage of the use of a "forming-plate," where it is made to do its work by oscillating in combination with the rotating cylinder, that this forming plate furnishes a solid support for the portion of the bag blank held to it by its hook and side gripping fingers, in a way analogous to the solid support furnished by the revolving cylinder, for the portion of the bag blank held on it by its grip and side gripping fingers. This, in mechanical and commercial practice, in forming the diamond fold for the S. O. S. bags, is a distinct operative and constructive advantage, in respect to securing accurate, firmly defined, and smooth diamond folds, in the blank. The use of the former plate, furnishing such support, in connection with the rotating cylinder, has a distinct practical superiority over machines where a revolving folding bed is used, and where the diamond is formed by operative fingers or blades of various kinds, as for example, in the Stilwell machines, which have cylindrical rolls, but not forming plates coacting therewith, the place of such forming-plates being taken by a complicated mechanical arrangement for making the diamond fold.

IV.

Novelty of Liddell's invention as disclosed in his patent.

This question is also one of fact, found in favor of the respondent by the Circuit Court and Circuit Court of Appeals, upon evidence amply sufficient to support their findings.

(1) Admissions of Novelty on the part of Petitioner.

That the coactive combination of parts claimed by Liddell is new, is not disputed. The line of assault is rather on the scope of

the invention in view of a heterogeneous lot of prior patents for machines, some of which are intended to accomplish the same function as Liddell's machine and some of which are intended to accomplish entirely different functions.

If the Court is to consider the prior patents which are referred to in Mr. Stone's deposition as having, more or less, bearing on the novelty of the Liddell invention, it is necessary that the Court should have in mind exactly what the function of Liddell's mechanism is, that is to say, just what work the mechanism effects, and how it effects it.

The work to be effected is the distension of the end of a *bellows folded* blank into the peculiarly folded diamond of the Self-Opening Square or Deering bag, which is characterized by the drawing out of the paper of the bellows side folds of the tube into the inwardly pointing, triangular folds characteristic of the bag in question.

Before the commercial production of the Deering bags, bags were made in large quantity from bellows folded tubes, by simply folding the end of the bellows folded tube against the body of the tube, and without the formation of any diamond fold or fold of similar character; and another bag was in large use which was formed from a plain, untucked tube, by spreading out the end of such a tube into what was called a "diamond fold," and then folding the flap ends of this diamond over upon each other to complete the bag bottom. This was a very simple operation, the fold being entirely without complications or reverse folds, such as characterize the "diamond" of the Deering bag.

The old "satchel bottom bag" machines in effect belonged to a totally different art from machines for manufacturing the Self-Opening Square or Deering bags, as the Court will thoroughly understand when the folds characteristic of the two types of bags are examined, and therefore, analogies which may be pointed out between the old and the new classes of machines, while they may be interesting, are absolutely uninstructive. This fact is thoroughly well known to Mr. Walker, counsel for the petitioner, who has been closely connected with the development of the art with

regard to the manufacture of Deering bags, and he explains the relationship of the old art to the new class of machines in his opinion with reference to the Claussen patents and applications; "Complainant's Exhibit Walker opinion" (R., Vol. 2, p. 1470), and rendered, as appears on page 1422, under date of December 24, 1896. On page 1480, Vol. 2, of the record, and as a part of this opinion, Mr. Walker correctly states the facts as follows:

"All six of the Claussen machines are intended and adapted to manufacture the self-opening square bag only. The first patent ever granted for any machine, intended or adapted to manufacture that kind of paper bag is No. 242,661 to Leinbach, Wolle & Brunner, June 7, 1881. Any machine which can make that kind of a paper bag, must be far more complicated and ingenious, than any machine needs to be to manufacture either of the first three kinds of bags; and must be invented and constructed on some materially different plan from any machine for constructing any other kind of paper bag than the self-opening square bag. For this reason a thorough investigation of the validity of the patents to be granted upon the six Claussen machines, or either of them, does not need to extend farther back than the Leinbach, Wolle & Brunner patent of June 7, 1881."

In view of this clear statement of the facts, and of his own opinion on the facts, it is to be assumed, that, if we find Mr. Walker in this case, making use of the "old satchel bottom" bag machines, as if they could have any limiting effect on the Liddell invention, he is counting upon a possible misunderstanding of the facts by the Court, and urging a proposition which he must recognize as fundamentally unsound and untenable.

In the manufacture of a Deering bag, it is necessary to have mechanism which will engage the corners of the bellows folded edges of the blank and draw out or distend the tubular blank in substantially rectangular form, on the plane where the bottom of the bag is to be formed. It is also necessary that, in more or less close connection with this distension, the tube, above the plane of distension, should have formed in it the crossfold which is also characteristic of the Deering bag, and that, between this crossfold and the plane of complete distension, the paper should be drawn into the lines of the characteristic inward triangular folds of the

Deering bag, while, on the other side, in the plane of complete distension, the paper of the blank is thrown into the side folds and top and bottom flaps which are characteristic of a "diamond fold."

From the original invention of the Deering bag, about twenty-five years ago, a period of about seven years ensued, during which inventors and engineers were endeavoring to devise and construct mechanism for making such bags, before the first commercially practicable machine was evolved. This machine, that of Lorenz and Honiss, was followed within a few years by the Stilwell machine of even greater commercial efficiency, and then followed a period of intense activity with inventors having special knowledge of the bag machine art, a large number of whom were employed by the companies owning the two practical "going" machines, to improve their machines or to develop other types of machine for accomplishing the same purpose. While a still larger number were employed by competing bag manufacturers in the hope of developing practical machines, which would enable them to compete in the closed market for the Deering bags.

The relevant prior art was developed under the conditions and stimulus above indicated, and is reviewed in behalf of the petitioner by its expert, Mr. Stone, and in behalf of the respondent by Mr. Dayton in rebuttal to Mr. Stone.

The Claussen Evidence.

Before reviewing the expert depositions on the question of substantial novelty and invention, we desire to call attention to a piece of evidence which the Court will, we think, consider infinitely more instructive than any opinion evidence of the experts for either side of the case. That is to say, to the remarkable exhibit which is embodied in the evidence of the petitioner's expert, Claussen, in which we have placed before us an expert bag machine engineer, of broad experience in this very development of the art, and thoroughly experienced as to the construction of bag machines in general, who had conceived of the *desirability* of such a machine as Liddell's and who had set himself the problem of devising and

constructing such a machine; and yet with all this knowledge, both practical and theoretical, failed for a long time to attain the vital idea of the Liddell invention. The struggle lasted for a period of six months from November 6, 1895, and until he saw the problem solved in Liddell's Patent, in the early part of May, 1896, when the Liddell Patent as issued was examined by him, and *then* his machine designs, promptly finished up, were rushed into the Patent Office in July of 1896.

We have reviewed the "Story of Claussen" in another place in the brief, and with particular reference to the attempt made in the record, to present Claussen as this inventor prior to Liddell. But the real value and importance of this witness's testimony is, in our judgment, its bearing on the presence of novel and broad invention in the Liddell co-operative combination of the claims in suit; and we do not believe that this testimony can be read without forcing the conviction that invention, and invention of a high order, was involved in the conception of this new combination.

While the main value of the Claussen deposition is in the picture it presents of this highly trained and ingenious expert struggling, unavailingly, with a mechanical problem, the solution of which was the Liddell invention, there are other features of his testimony which have a distinct bearing on the question of patentability. Thus the witness was qualified as a practical expert having the broadest knowledge of the prior machines and patents in paper-bag manufacture, and then he was asked a number of questions as to the novelty, in view of the prior art, of devices, assumed to have been his invention and developed in his work of attempting to design the machine which, after the vitalization of the Liddell Patent, evolved into the *petitioner's machine.*

Thus (R., Vol. 2, p. 989, Q. 181), the witness's attention was called to the Lorenz and Honiss Patent 337,966, one of the patents relied upon by Mr. Stone in trying to narrow the field of invention, and in relation to this and the whole volume of prior patents, the witness says:

"There is no tucker plate that I know of in any of the bag machine patents that I have looked over, which swings upon trunnions not substantially on a line with its defining edge prior to my sketch of November 22d, 1895."

See also page 990:

"Q. 187. Who invented that combination of a tucker plate vibrating upon trunnions not substantially on the line with its defining edge, and devices to hold the upper ply of the tucked paper tube against the face of the tucker plate, between the line of its trunnion and the line of its defining edge?
"A. I did."

Again, on page 991, we have:

"Q. 193. Who invented that combination of a rotating conveyer and an oscillating carrier pivoted to that conveyer, and oscillating toward and from the centre of rotation of the conveyer?
"A. I did."

See, further, the witness's cross-examination on page 1032:

"x-Q. 353. Do you know of any machine prior to November 1, 1895, which comprised a rotary folding bed, and a forming or tucker plate, vibrating or oscillating upon trunnions not on a line with its defining edge, the purpose of which machine was to produce a diamond fold, for square bottom paper bags? I include all the patents which were shown you in Q. 18?
"A. No, I do not."

See, again, page 1044:

"Re-d. Q. 397. You say in reply to x-Q. 384 that the presence in a paper bag machine of the combination of a rotary folding bed, and a forming or tucker plate, oscillating upon trunnions, not on a line with its defining edge, increases the speed of production of such a machine over the paper bag machines which were known prior to November 1, 1895. Please to state whether in answering that question, you had in view any particular paper bag machine having that combination of rotary folding bed and oscillating tucker plate, and if so, what particular paper bag machine you had in view?
"A. I had the one in view built under the Claussen Patent No. 598,497; as I do not know of any other machine running under that combination."

and finally, pages 1044 and 1045:

"Re-d. Q. 400. Now, please to state whether that particular paper bag machine of the Liddell Patent No. 558,869, would be a

paper bag machine having greatly increased speed of production over the square bottom paper bag machines which were known and used prior to November 1st, 1895?

"A. It, no doubt, would be a good machine, provided that the co-operating parts that go with the cylinder and the tucker plate were properly designed; but I do not know that it would be a machine producing more product than the machines used previous to November 1, 1895."

The questions addressed to Mr. Claussen were of course framed on the assumption that his sketches of November, 1895, could be considered as prior in date to Liddell's invention, an assumption which entirely breaks down in view of the whole evidence, and both lower Courts have decided against it. But the witness's answers are practically entirely relevant as to the novelty and invention of the Liddell invention as embodied either in the modification illustrated in Liddell's Patent, or in the modifications illustrated in the Claussen Patents, and embodied in the defendant's machine.

(2) PETITIONERS' ALLEGATIONS AS AGAINST NOVELTY OF LIDDELL'S INVENTION AND PATENT.

To consider now the expert deposition of Mr. Stone. It is to be noted, in the first place, that the witness' qualification is simply as a mechanical expert, having practically no knowledge or experience with reference to paper bag machines, and as clearly appears from his cross-examination, his opinions and the reasons advanced in support of them, are the merest echo of what he has been told by Mr. Walker, the petitioner's counsel. The views expressed are not really Mr. Walker's views, because we find Stone dragging into the discussion of the prior art the old *satchel bottom* bag machine which we know from Mr. Walker's opinion of December, 1896, Mr. Walker knows to be absolutely irrelevant.

The fact as to the origin of the drawings produced by Stone, first developed in view of a cross-examination as to the showing of the drawing "No. 5" in which, after it had been demonstrated that the drawing was misleading, the witness (x-Q. 179, p. 1242), admits (see bottom of the page), that he did not prepare *this* sheet of draw-

ings. After this admission Mr. Walker, at the bottom of page 1243 volunteered the statement that he planned the drawing "No. 5"; and then the cross-examination proceeded to develop the facts with regard to the other evolutionary drawings, the witness admitting in answer to x-Q. 183, page 1244, that drawing "No. 6" was not originated by him, but was submitted to him by Mr. Walker. In his answer to x-Qs. 200 and 201, p. 1250, the same admission is made with regard to drawing "No. 7." In his answer to x-Q. 220, p. 1259, the same admission is made with regard to drawings Nos. "1," "2" and "4." In answer to x-Q. 224, page 1260, the same admission is made with regard to drawing "No. 8." In answer to x-Q. 241, page 1266, the same admission is made with regard to "No. 9."

With the exception of defendant's drawing "No. 3" and defendant's drawings "No. 9," which are based on the inoperative or "problem" drawing finished by Claussen on January 17th, 1896, and therefore are not in any way based on the prior art, the petitioner's evolutionary drawings are those numbered "6," "7" and "8," the drawing "No. 6" consisting of a pictorial attempt to draw an analogy between the construction shown in the Lorenz and Claussen Patent 534,512 and the Liddell Patent in suit, through the medium of a so-called "modified" Lorenz and Claussen machine. The drawing "No. 7" is a similar attempt to draw an analogy between the Liddell Patent and the old satchel bottom machine of the Crist Patent 543,571, also through the intervention of a so-called "modified" Crist machine. While the drawing "No. 8" purports to represent alleged similar details to be found in a heterogenous lot of patents in the prior art, and to be found also in Liddell's Patent and in the defendant's machine. This drawing is innocent enough if properly understood, because, as explained by Mr. Stone, it does not purport to make out or pictorially argue any real resemblance between the coactive combinations, in which the individually more or less similar instrumentalities are used.

The cross-examination of Mr. Stone, through whom the evolutionary drawings were produced, in part exculpates him from the mental dishonesty involved in the creating and labelling of the evo-

lutionary figures, by showing that he had no full appreciation of the extent to which these drawings were deceptive and misleading ; and a very clear indication as to the general viciousness of the drawings is to be derived from an examination of Mr. Stone's testimony when cross-examined with regard to them. Thus, with regard to "No. 5," see his testimony, x-Qs. 177 to 181, pages 1239 to 1243 (R., vol. 2).

With regard to drawing "No. 6," see Stone, x-Qs. 182 to 199, pages 1244 to 1250 (R., vol. 2).

With regard to drawing "No. 7," see Stone, x-Qs. 200 to 219, pages 1250 to 1259 (R., vol. 2).

With regard to drawing "No. 8," see Stone, x-Qs. 224 to 240, pages 1260 to 1266 (R., vol. 2).

With regard to drawing "No. 9," see Stone, x-Qs. 241 to 253, pages 1266 to 1271 (R., vol. 2).

The real relationship of the defendant's evolutionary drawings to questions involved in this case, is fairly summed up by Mr. Dayton (R., vol. 1, p. 377) :

"Indeed, as I read defendant's record, no pretence is made by defendant that any patent or machine antedating the Liddell invention, anticipates the latter. The testimony of defendant's expert, Mr. Stone, on this subject is directed exclusively to supposititious drawings submitted to him, representing assemblages and conjunctive arrangements of parts taken from different patents by different inventors, and put into new relations of which none of the inventors are shown to have ever thought or contemplated, and yet in no case pretending, even then, to represent an operative machine for the purposes of the Liddell patent. These drawings are manifestly composed, in the light of the Liddell patent, for this occasion, and in so far as they may possibly show anything related to the Liddell invention, they show to what the Liddell patent may lead rather than from what the Liddell invention is derived."

The non-relevancy of anything actually shown in the prior art, to the Liddell invention, is thoroughly developed by Mr. Dayton in his testimony in rebuttal to Mr. Stone's deposition (R., Vol. 1, pp. 369 to 431), the prior patents being concisely and clearly explained, and the evolutionary drawings thoroughly dissected and their fallacies demonstrated. This part of Mr.

Dayton's deposition is broken by headlines relating to the subject matter successively treated, and it seems to us that we can do no better than to refer the Court to it as a thorough, reasonable, concise and absolutely fair presentation of the prior art in its relationship to Liddell's invention.

Were any distinct claim of anticipation made by petitioner's expert, it would be a simple enough matter to analyze the alleged anticipation and abstract the testimony with reference to it, but the fact is, that no patent is even alleged to show a machine which anticipates Liddell's invention, and therefore, there is no tangible issue to be discussed, and, as far as we can see, no way open to us to help the Court in arriving at a correct conclusion as to the bearing of the prior art upon his invention, except by just such a painstaking analysis of the mechanism shown in the prior patents, as Mr. Dayton has provided in the parts of his deposition referred to.

Liddell's Position in the Art.

The fact is, as Mr. Dayton points out (R., Vol. 1, pp. 369-375). Liddell's invention occupied a most important position in the development of machinery for making the Deering bag. The art had developed two practically operative machines, that of Lorenz and Honiss (Patent No. ~~337,066~~ 361,451) and that of Stilwell, and a mass of patents (see list appended to Mr. Walker's opinion of December 24, 1896, defendant's record Vol. 2, pages 1422 to 1428), which for the most part, were mere modifications and variations in the embodiment of the inventive ideas which underlie the two practical machines. Liddell's invention practically injected into the art a third vital and operative conception of an operative combination for the manufacturing of the Deering bag. The value of the invention lying, not alone in the fact that it provides a machine which, as we have shown in this case, is practically as good, if not better, than any known mechanism for performing similar functions, but that its originality was so marked that it practically avoided infringement upon the numerous patents then existing. This fact is shown in this case by Mr. Walker's opinion of December 24th, 1896, where,

in reporting on ~~the~~ a Claussen application, practically the petitioners infringing machine, he states that, although in his opinion this Claussen modification of the Liddell machine does not infringe upon any of the prior patents which he had examined, and of which he appends a list to his opinion, yet the Liddell patent, here in suit, presents a dangerous proposition in respect to infringement thereof.

Finally, the petitioner's action in appropriating and adopting for its hundred or more machines, the Liddell invention, is an endorsement of the novelty, as well as of the utility of the combination. Its action being manifestly induced partly by the intrinsic merit of the device, and partly because, by reason of its fundamental originality of conception, it enabled petitioner to enter the field in competition with the Union Bag and Paper Company, with the single risk of being held under the Liddell Patent, and with practically complete assurance of immunity from the numerous other patents owned by this and other concerns.

While the pleadings, and to some extent depositions, taken by the petitioner, indicated an intention to urge the defense of anticipation by prior patents, the attempt to make out such a defense resolves itself rather into the more complicated question as to the limitation of the Liddell claims, for certainly there is nothing in the evidence which is even alleged to show the same structure as that which is described in Liddell's Patent, and which forms the subject matter of the claims on which infringement is urged.

The deposition of Mr. Stone, the expert witness for the petitioner, is very largely an effort to narrow the field of invention by pointing out, not that any one of the prior patents exhibits this invention, but that the constructor of a machine *might* have borrowed from *one* patent a fragmentary idea and from *another* patent a fragmentary idea, and by putting together devices borrowed from *several* patents, in combinations in which they were never designed to be used, something more or less like the Liddell combination of coactive parts could have been attained. The diagrammatic exhibits introduced as a part of Mr. Stone's

deposition and with a view of making plausible this piecemeal method of anticipation are, as Stone's cross-examination develops, in themselves either unintelligible or misleading, and in vital particulars it is admitted by Mr. Stone that many of them are erroneous We do not anticipate that this attempt not to find in, but to construct out of the prior art, an anticipation of the Liddell invention, will be pressed at the hearing. At the best it is a mere showing of what *might have been done if anybody had thought of doing it*, and at the worst it is a deceptive and unfair presentation of what is really shown by, or to be inferred from the state of knowledge which existed at the time Liddell's invention was made.

(3) Opinions of the Courts Below.

Judge Putnam's opinion thoroughly disposes of any contentions of anticipation, or even of material limitation of Liddell by the prior art. He says of the petitioner (Rec., Vol. 2, p. 1893, 142 F. R., 489):

"*It refers to nineteen preceding patents aside from Claussen, as though they had some relation hereto. As we have said, there is such a hiatus between them and what appears on the face of the Liddell patent, that they have no effect, either in narrowing or broadening the alleged Liddell invention. If any of them pointed out any form of combining the forming-plate with a rotating cylinder, they would, of course, narrow what Liddell could claim; but they have nothing of that kind.*"

The opinion further says (R., vol. 2, p. 1892, 142 F. R., 487):

"*The respondent insists that the Liddell patent was the twentieth in the line of patents in this special branch of the arts. This proposition, however, does not assist us, because, no matter how many may have preceded Liddell's, his is marked by a peculiar feature of novelty which clearly distinguishes it from all that went before it, all questions as to Claussen being for the present reserved. Unless anticipated by what is shown in Claussen's patent to which we have referred, the Liddell patent does disclose invention; and we think its nature is so clear, and, as we have said, so disconnected from what precedes it by such a hiatus, that, if the claims are as extensive as the invention, there is no difficulty so far as concerns the application to the case of the rules with reference to equivalents.*

"*The respondent states that the claims in issue can all be made to conform to patents in the prior art by simply substituting a reciprocat-*

ing carrier for a rotating cylinder. This proposition is frequently urged on the courts; yet they are frequently compelled to disregard it as has been heretofore often explained. On this record, we must find that unless anticipated by the Claussen patent, the machine shown by the Liddell patent is the first in which, in lieu of a reciprocating carrier, a rotating cylinder could be used advantageously as the bed on which the folding can be performed. It is however, claimed by the respondent that the mere suggestion of a rotating cylinder in lieu of a reciprocating carrier was not new with Liddell, and that, even if it had been, rotating cylinders and reciprocating carriers are such well known equivalents that the substitution of one for the other cannot be regarded as involving invention. That this is not necessarily true under all circumstances was shown by the Circuit Court of Appeals for this Circuit in Watson v. Stevens, 51 Fed. Rep., 757.

"As we have said, we are compelled to find on this record that the problem of combining a rotating cylinder with the mechanism which folds the peculiar paper-bag here in question was not satisfactorily solved before it was disclosed by Liddell or by Claussen. In Liddell, this novel feature is shown by that portion of Claim 1 which is contained within the following words: 'Operating means for the forming-plate, adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder during the rotary movement of said cylinder.' It cannot fairly be questioned that the solution of the problem of substituting a rotary movement for a reciprocation in a paper-bag machine intended for this peculiar bag, by whomsoever made the substitution, be it Lorenz, Liddell, Hunter or Claussen, involved invention; and this covers the fact that this invention did not constitute an advance in the state of the art in such a sense that the complainant deemed it advisable to discard its old machinery and use Liddell's. Invention may clearly exist notwithstanding it does not accomplish so fundamental a result. It is enough that it addresses itself to any considerable portion of the community, as it did to the respondent, and creates an opportunity for electing for a choice between different methods, each having its own advantages. Numerous examples supporting this proposition might be cited if it were necessary to do so."

The Circuit Court of Appeals said, that the petitioner "*has not pointed out, and we have been unable to find any operative combination of a rotary-cylinder and a forming-plate oscillating thereon earlier than the patent in suit*" (Vol. 2, p. 1927; 150 F. R., p. 743).

V.

The Claussen Defense.

Its Bearing on Infringement, Showing Origin of Petitioner's Machine, as Derived From and Subject to Liddell's Patent.

This defense, which involves questions of fact, was overruled by Judge PUTNAM and the Circuit Court of Appeals, as untenable and not supported by the evidence, and is not covered by any specific assignment of error. But it is referred to at length as having an important bearing on the question of infringement.

(1) CLAUSSEN'S RELATIONS TO THE CASE.

Mr. Claussen is the designer and builder of the petitioner's machine, which has been held to infringe the Liddell Patent in suit by all the Judges both in the Circuit Court and Circuit Court of Appeals. His testimony when examined as a witness for the petitioner shows that he was one of the group of expert engineers, comprising also Lorenz and Honiss, who, originally acting as employees of the New York Paper Bag Machine and Manufacturing Company, and afterwards, partly in their own behalf and partly under the pay of other interests, have designed a large number and variety of machines designed to manufacture the Self-Opening-Square bag.

Mr. Claussen was called as a witness for the petitioner, by reason of his familiarity with the early development of the art relating to the manufacture of the Self-Opening-Square bag, for the purpose of having him point out (partly from his knowledge of facts with regard to machines with the designing or constructing of which he was connected, and partly from his expert knowledge with regard to patented machines with which he was not personally familiar), what was the actual practical value of the machines patented prior to Liddell's invention. The main object in view however, in calling Mr. Claussen, was to connect his patents, applied for and obtained after the issue of Liddell's Patent, with certain sketches, which Mr. Claussen testifies were made before the filing of Liddell's application, and by which it was attempted in the

Record to make out that Claussen was, in some degree, an inventor prior to Liddell as to the subject matter of the Liddell Patent. But this contention, we understand, has been abandoned in this Court.

The effect of Mr. Claussen's testimony as an expert is, in substance, to make it clear that at the time of Liddell's invention, during or prior to the fall of the year 1895, there were but two practical machines for making the self-opening square bag in existence, to wit : the Lorenz and Honiss machine and the Stilwell machine, and that the operative combination of the Liddell Patent was not only a strikingly new and original conception, but also one which, in Mr. Claussen's expert judgment, avoided infringement upon the numerous patented devices for doing the same work.

With regard to Mr. Claussen's mechanical change of the Liddell invention into the machines subsequently patented by him, and one of which is represented by the petitioner's infringing machine, the facts developed show :

(A) That even the rudimentary, incomplete and inoperative conceptions indicated by the Claussen sketches produced in evidence, and none of which are alleged to have existed prior to November, 1895, are much later in date than the time when Liddell took his drawings to the patent solicitor, Mr. Hunter, and described to Mr. Hunter the inventions which he desired to patent.

(B) That while Mr. Claussen's sketches show him in the act, so to speak, of considering the employment in a paper bag machine of a creaser plate having a rotary movement on a pivot, which pivot is non-coincident with the creasing edge of the plate, the sketches also show that at the time they were made—and the last of them was completed on the 17th of January, 1896—*Mr. Claussen had devised no way in which such a plate could be made operative to form the diamond fold on the bellows folded blank*, and had not the remotest conception of that combination between the folding bed, and the forming plate moving on an axis which does not share the movements of the folding bed, but which axis has a relative to-and-fro movement with regard to the folding bed, which does enable the

creasing or fold-defining edge of the forming plate to follow the movements of the folding bed, during the distension of the blank into a diamond.

(C) The evidence further shows that Mr. Claussen had completed no drawings depicting an operative paper-bag machine involving any form or modification of the invention in controversy, until after the issue of the Liddell Patent.

(D) Mr. Claussen admits that he secured a copy of, and carefully examined, the Liddell Patent immediately on its issue in the latter part of April, 1896, and that he thereafter, and prior to the middle of July, 1896, completed patent drawings for two machines, the applications for patents on which were filed in July, 1896, and in both of which the Liddell invention is found in more or less modified constructions, and in one of which we have a striking example of the effect of the information derived from the Liddell Patent, in the development of a machine in other respects, closely similar to the inoperative design shown in Claussen's sketch "Claussen Exhibit No. 3," which was completed it appears on the 17th January, 1896.

(E) It further appears that under date of December 24, 1896, Mr. Walker, the counsel for the petitioner, rendered an opinion on Claussen's Patents and then pending patent applications (R., Vol. 2, p. 1407 *et seq.*) in which, in the portion printed on page 1417, he expressly calls attention to the Liddell Patents, including the one in suit, noting the probability of a suit for infringement of the Liddell Patent in case a Claussen machine is built without authority from the patentee, and it appears that this opinion was brought to the attention of the responsible promoters and officers of the petitioner, prior to its purchase of the Claussen Patents and prior to time of construction of the Claussen machines, as is shown in Mr. Walker's letters to Elsas (see Elsas Exhibit No. 6, bottom page 1448, and Elsas Exhibit No. 8, top of page 1451).

The evidence of Claussen is, we think, of great importance in this case, because it shows that the petitioner's machine was not an

independently conceived invention with regard to its characteristic features involved in this case, but was " conceived in sin and born in iniquity." A formless embryo, and only vitalized and given operative shape by the issue of the Liddell Patent and its examination by Claussen, after which it promptly developed into the two applications of July, 1896, both of which, and especially the two taken together, show unmistakably the effect of the Liddell disclosure on Claussen's previously non-operative conceptions.

The admission of Claussen, the opinion of Walker, and the correspondence with Elsas, show that the effective embodiment of Liddell's invention in the Claussen machine has been recognized from the first, and this infringement has progressed, from the construction of the first to that of the last infringing machines, without justification other than to be derived from Mr. Walker's opinion, which, considered in connection with the machine of the Liddell Patent, is simply to the effect that the Liddell Patent might be evaded and the Liddell invention stolen and appropriated, by the simple expedient of inverting the relative movements of the forming-plate pivot and the folding bed, without in the least changing their co-operative combination with each other.

The evidence on which the above statements and conclusions are based may be briefly reviewed as follows.

(2) The Date of Liddell's Invention.

Mr. Hunter's evidence and the letters and book entries produced by him establish the fact that on the 16th September, 1895, Mr. Haverstick, who was then the active man of the Eastern Paper Bag Machine Company, wrote to Mr. Hunter, asking him to make an appointment to meet Mr. Liddell, which appointment was by Hunter, on September 7th, fixed for the 23d of September (R., Vol. 1, pp. 160, 167). Mr. Liddell had, obviously, informed Mr. Haverstick, prior to September 16, that he had made an invention which he was ready to patent. Mr. Hunter's testimony and the entries on his book fix the fact that Liddell did call on him and communicate the invention on the 23d of September,

and it is not questioned by Liddell but that it was in connection with the two inventions for which applications were filed in the following January, that his visit to Hunter was made. The one invention is that described and shown in the patent application Hunter file of " Case B," (R., Vol. 1, pages 841 to 843) on which application Patent 564,288 subsequently issued on July 21st, 1896. The other invention was that of the application " Hunter file, Case A," (R., Vol. 1, pages 809 to 840), and there is no reason to doubt that, as originally planned by Liddell, the mechanism of this application which subsequently resulted in the patent in suit, differed from the mechanism shown in the patent drawing, in the features indicated in the blue print from which the lithograph on page 840 was made ; that is to say, as originally planned, the mechanism for actuating the forming plate while intended to give the forming plate *precisely the same movements* with reference to the folding bed during the coactions of the forming plate and folding bed in forming the diamond fold, was devised to return the forming plate to receiving position by an oscillatory rotation backward *over* its pivot, instead of by an oscillatory movement backward *under* its pivot.

It was argued in the lower Courts that Liddell's invention was anticipated or limited by Claussen. In this connection there is a fact to be considered which is not commented on by the Court below, but which, it seems to us, entirely disposes of Mr. Walker's argument, even if everything that he contends for were conceded to be true.

The whole basis of Mr. Walker's contention is that Claussen is shown by his sketches of November, 1895, to have had the mental conception of the combination with a cylinder, of a forming plate secured to, and pivoted on a support which does not share the movements of the cylinder. Now it is not questioned in this case, nor is it open to question but that Liddell, as early as September, 1895, had devised a machine embodying exactly this combination and had brought it to the patent solicitor, Hunter, to be patented. In fact, Liddell had devised two machines, both of which he brought to

Hunter for the preparation of patent applications in September, 1895, and both embodying this combination. In one machine, that of the Liddell Patent No. 564,288, the movement given to the cylinder was oscillatory; in the other machine, that which resulted in the patent in suit, a continuous rotary movement was given to the cylinder, but so far as the externally pivoted former-plate is concerned, both machines embody the same combination, that is, the same inter-active and co-active relationship between the forming plate and the cylinder during the period in which the former plate is active.

When Mr. Claussen was induced by Mr. Walker's questions to assert that he was the first to devise such a former plate, he was ignorant of the fact that the idea, which had occurred to him and which was embodied in his sketches of November, had previously occurred to Liddell and had been communicated by him to his patent solicitor in the month of September preceding.

Now, with respect to the machine of the patent in suit, his Honor Judge PUTNAM found, on the evidence, that "*Liddell cannot be carried back further than January 7, 1896*" (R., Vol. 2, p. 1916), and he speaks later of Claussen being, prior to January 17, 1896, "*substantially in the same preliminary condition that Liddell was prior to January 7, except, however, that Liddell had one clear advantage over Claussen from September 23, 1895, six weeks earlier than Claussen first appears in the art in any form. From that date to January 7, Liddell was constantly working towards the production of a patent,*" etc. (R., Vol. 2, p. 1917). His Honor speaks later in the opinion, of the date of January 7, 1896, as "*January 7, when Liddell's conception had been fully put in form in the application drawn by Hunter*" (R., Vol. 2, p. 1921). The opinion, therefore, shows on its face that the date January 7, 1896, is decided to be the date on which the design of the patented machine, as an operative whole, was completed. But the opinion, based on the record, also fixes Liddell's initial date of beginning his active steps towards securing a patent, as September 23, 1895, and there is no room for doubt but that so far as the coactive combination of the former

plate and the cylinder is concerned, the design of the machine of the patent in suit, as brought to Hunter in September, was *more complete* than any machine design which had occurred to Claussen prior to the filing of the Liddell application, and therefore, if either incomplete machine organization is to be considered, Liddell is very distinctly in advance of Claussen and, moreover, he had completely devised an operative machine embodying the essential features of the combination of the plate and cylinder in, or prior to September.

The other controlling consideration with regard to Claussen's inventive ideas, as exhibited in his drawings of November, 1895, is that none of these drawings disclose *the vital feature* of an operative combination of a cylinder and externally pivoted former plate, that is to say, the imparting to the coacting sections of the cylinder and to the plate of *a relative to-and-fro movement.*

Both of Liddell's machine designs of September, 1895, showed the full operative combination with the cylinder, of the externally pivoted forming plate moving rotatively on its pivot, while at the same time the pivot moved toward and away from the face of cylinder, thus enabling the edge of the former plate to remain in contact with the cylinder, or with the blank resting on the cylinder, while sweeping through its rotative movement on its own pivot, by which it carries back the upper ply of the blank and forms the diamond.

None of Claussen's sketches show any means for securing the necessary to and fro movement of the cylinder and former plate pivot; all of the sketches show an unyielding cylinder coming directly in the path of the rotating edge of the unyielding forming plate and thus making it *impossible* that the forming plate should rotate through the necessary arc. In effect, what the sketches show is a diagrammatic illustration of a mechanical problem. Claussen undoubtedly thought of an externally pivoted former plate coactive with the cylinder as a desirable mechanical device, and he made several sketches showing such former plates and cylinders in juxtaposition, all the sketches showing inoperative constructions and none of them showing the

vital inventive conception, which makes the use of the externally pivoted former plate in connection with the cylinder possible, to wit, the relative to and fro movement of the cylinder and the axis of the forming plate.

The actual situation, then, is that Liddell beyond any question, had devised the operative combination of the forming plate and cylinder in September, 1895; that Claussen thought of a combination between a former plate and cylinder in November, 1895, but failed to devise and illustrate any practical manner of combining a cylinder and externally pivoted former plate.

Now what else Mr. Claussen may have done after the 7th of January, 1896, when Liddell's application was executed, would seem to be entirely immaterial. Up to that time he had not only failed to make the invention which characterizes our patent, but he had failed to make any invention. It is, however, both interesting and important in this connection to bear in mind that Claussen had, by his own admission, completed no machine design until after the early part of May, 1896, when he saw the patent in suit and then, as he says in answer to Q. 214, R., Vol. 2, p. 995, "used more effort to finish up my drawings than I had previously done." We submit that on these facts no more impossible defense was ever urged to a patent in suit than alleged anticipation or limitation of our invention by Claussen.

After various proceedings, and on the 7th of January, 1896, Mr. Liddell did come to Philadelphia, saw Mr. Hunter, and executed both of the patent applications (R., Vol. 1, pp. 160-174; 740-750).

(3) The Dates of Claussen's Sketches.

Mr. Claussen's sketches, produced in support of his claim for originality in devising the feature in controversy, are three in number. The first produced was the original sketch marked No. 1 and reproduced (R., Vol. 4, p. 1) under the title "Claussen Sketch No. 2." The date of this appears by a note on the original exhibit to be November 22d, 1895.

The next drawing produced is that marked "No. 3" and not reproduced. By notes on the face of the original exhibit it appears that this drawing was started November 23rd, 1895, and finished January 17th, 1896.

During the taking of Claussen's testimony it appears that another sketch turned up, apparently forgotten both by defendants' counsel, in whose possession it was, and by the witness; its lack of importance can be judged by this fact, and the testimony of the witness was reopened to allow it to come in (R., Vol. 2, pp. 1019-1020). This is produced and offered in evidence as Claussen Exhibit "No. 5" and reproduced (D. R., Vol. 4, p. 3) as "Claussen Sketch No. 6." A date on the sketch seems to indicate that it was made on November 6th, 1895.

It is not pretended by Claussen that his invention (?) antedated his sketches, and, therefore, even if the sketches indicated the same invention afterwards patented by Liddell, it is clear from the facts already stated that Liddell was the prior inventor.

(4) CLAUSSEN'S SKETCHES DO NOT INDICATE A CONCEPTION OF LIDDELL'S INVENTION.

Claussen's drawing "No. 3" and the sketch "No. 5" or "No. 6," relate to a machine designed for making a peculiar kind of a bag, quite different from the ordinary Self-Opening Square bag, and by a process entirely different from any process which is used in making the ordinary Self-Opening Square or "Deering" bag. The relevancy of this machine design, in the estimation of petitioner's counsel, lies in the fact that it included among its mechanical features rotating folding beds and a cross-fold defining or creaser plate, which, the sketches indicate, Mr. Claussen thought of employing in such a manner that it would oscillate on an axis remote from its creasing edge. It was not, however, within his contemplation to employ this as A FORMER PLATE, or to provide it with nippers for engaging the upper plies of the bag blank, the machine being provided with a stationary plate called by Mr. Claussen a "Vee plate," which stationary "Vee plate" was provided with

nippers, and was intended to perform the functions of the former plate in Liddell's structure, with the single exception of defining the cross-fold of the diamond.

It is, therefore, to be noted first of all, in relation to this Claussen "No. 3" drawing and the machine depicted in it, that the oscillating plate indicated in this drawing was not intended to be provided with grippers, or to serve the purpose of the "former plate" of Liddell's combination and that, therefore, even if Claussen did devise an operative combination between the folding bed and his oscillatory creasing plate, as we will show that he did not, the mechanism of the machine did not, and was not intended to, embody anything really analogous to Liddell's mechanism.

The creaser plate of Claussen's design had no other function to perform in his machine than the defining of the crossfold of the diamond; it did not in any way share in the work of *opening* the diamond or defining the corners of the inward triangular folds which are characteristic of the Deering type of bag.

The distention of the bellows folded blank and the formation of the inward triangular folds, which folds this novel form of bag shared with the ordinary self-opening or "Deering" bag, was accomplished by the coaction between the stationary "Vee plate," and the nippers which folded the upper ply of the blank over the top of this "Vee plate," with the carriage or bed mounted on the rotating cylinder, and having imparted to it by a cam an oscillating movement on the cylinder, and nippers by which the lower ply of the blank was held to the rear end of this carriage, Mr. Claussen's idea being to impart to the carriage such motions with reference to the stationary "Vee plate," as would result in drawing out the end of the blank and fully distending it in the plane defined by the corners, to engage with the stationary "Vee plate" and with the oscillating folding bed. The cam motion given to the bed carrying it first up into parallelism with and close approach to the stationary "Vee plate," and then downward and forward to effect the necessary distension.

Obviously the coaction between the "Vee plate" and the oscil-

lating carriage, while it would effect the necessary distension of the tube, would not effect the proper location of the crossfold, which, in the diamond folded blank, lies transversely across the middle of the diamond, and the drawing shows that, as a means for properly locating this crossfold, Mr. Claussen had a misty, inchoate and entirely undigested idea, of employing an oscillating creasing plate moving on pivots remote from its creasing edge. Such a plate is indicated in his drawings, which drawings, however, indicate, just as clearly as they do his idea of using such a plate, that he had not devised any way in which it could be used. What the drawings show is the creasing plate so located that, if oscillated, it would come into collision with the surface of the cylinder carrier a considerable distance behind the oscillating carriage supported on this cylinder, and therefore be entirely unable to turn over. The inevitable collision in the construction illustrated, is graphically portrayed by intersecting circular lines in Fig. 2, and in Fig. 6, is represented in the very act of occurring, Fig. 6 representing the point at which the machine must necessarily stop in the construction illustrated in the drawings, and the drawings as a whole representing an unsolved mechanical problem, without in any way suggesting a solution.

That the drawing "No. 3," finished on the 17th of January, 1896, intentionally represented the use of the oscillating creasing plate as *an unsolved problem*, is made absolutely clear by comparing with this drawing the sketch "No. 5" or "No. 6," alleged to have been made on the 6th of November, 1895, and unquestionably intended as a crude representation of what is worked out into more mechanical form in the drawing No. 3. This sketch, like the completed drawing, represents a relative arrangement of the carrier cylinder and oscillating plate which *necessarily* results in their collision, and in the incapacity of the machines to make a single blank or a single revolution.

The facts then, are that on November 6th, 1895, Claussen conceived of the general scheme of his "Vee plate" machine, but saw no practical way for making the oscillating creaser plate work, and

that afterwards in making what are almost working drawings of this machine, as shown in his drawing "No. 3," in the period from November 23d to January 17, he had still found no solution for the problem.

What the drawing "No. 3" is, is fairly summed up by Mr. Claussen himself in his answer to R. R. D. Q. 441, page 1056 (R., Vol. 2), where he states that its purpose was to record his invention, and so that—"the general character of that invention, *so far as it had been developed*, might be preserved."

With regard to the sketch "No. 1" or "No. 2," but little need be said. The sketch in effect represents nothing. The sketch is utterly fragmentary and incomplete, showing no folding bed, and the effort by petitioner's counsel to induce Claussen to admit that he had some operative conception in his mind when this sketch was made completely fails, although of course it would be of no effect even if he had stated that he had an operative conception. The leading, persuasive and ingenious questions put to the witness in order to make out that these meaningless sketches are pertinent and relevant, are interesting reading, particularly on pages 973 to 974, Vol. 2—but the general effect of the testimony is summed up in the witness' answer to Q. 116, pages 973, 974, R., Vol. 2, as follows:

"I don't really remember what kind of bed I should have used at the time; for *if I had had any idea I should have indicated it on the sketch.*"

(5.) The Genesis of the Petitioner's Machine.

From the evidence reviewed above it is clear that, until after the execution and filing of the Liddell application on which the patent in suit was granted, Claussen had not conceived any combination the same as, or similar to, that which characterized Liddell's machine, and is found in the petitioner's machine, and, moreover, that the only design on which he had worked was that of the "Vee plate" machine, which did not contemplate the presence of any former plate having the functions and mode of action in connection with the folding bed, of the forming plate of the Liddell machine.

With regard to the development of the Claussen machine, Mr. Claussen states, in answer to Q. 211, page 994 (R., Vol. 2), that he began making drawings for his patent application about February 1st, 1896, and, in answer to Q. 213, page 995, he states that he noticed the issue of Liddell's Patent in suit when it came out in the "Official Gazette," wrote for a copy, and received the same about the first of May, and, in answer to Q. 214, page 995, he says he looked the patent over and compared it with the sketches and drawings he had at the time, and "*used more effort to finish up my drawings than I had previously done*," and, in answer to Q. 215, page 995, he stated that he was not influenced in finishing up the drawings for his application of July, 1896, by his examination of the Liddell Patent.

Now, it will be noticed that there is no testimony or evidence of any kind which goes to show that, at a time prior to his examination of Liddell's Patent, Mr. Claussen had conceived and in any way represented *any operative combination between the former plate and cylindrical folding bed, in which a relative to and fro movement was imparted to them.* He refers to drawings or sketches which he had at or about the first of May, 1896, but no attempt is made to show what these drawings and sketches represented, and presumably, they went no further than the sketches and drawings produced and which have been commented upon above. Mr. Claussen does not even assert that he had in mind, not to speak of on paper, the operative combinations of his patent applications filed in the following July, when he examined Liddell's Patent in May, and, in answer to Q. 215, p. 995, where he says that his design of the machine shown in his application of July 29th was not influenced by his examination of Liddell's Patent, he is probably testifying truthfully enough from some peculiar mental standpoint, by which he differentiates his modification of the device from the *particular* illustration thereof shown in Liddell's Patent. But the question which was put to Claussen carefully excluded his patent application of July 19th, 1896, which application shows a machine obviously based on the crude conception

of the sketch "No. 3," in that it employs the "Vee plate" and a coacting carriage operating to distend the tube in connection with the "Vee plate," and in that it employs also an oscillating tucker plate. In the new construction, we find that a certain coaction of the oscillating tucker plate with the carriage, is represented as taking place by *imparting to the axis of the oscillating tucker a positive to and fro motion with regard to the carrier cylinder or oscillating carriage*, showing the effect of the information derived from Liddell's Patent and that in this, the first of his July applications, he had in effect copied Liddell's exact mechanical device. While in the other application, that of July 29th, we find that he has devised a machine, not to make the peculiar bag made by the "Vee plate" machine, but, like Liddell's machine, to make the Deering bag, in which new machine he has employed precisely the coactive devices of Liddell's machine, with the single exception that he has made the folding bed movable, instead of making the pivot of the forming plate movable, to attain precisely the same necessary to and fro movement of these parts, and so that their relative movement and coaction is precisely the same.

(6) Conclusions from the Claussen Story.

While Claussen's story is without possible legal effect in its apparent purpose of impeaching the originality of Liddell's invention, it is, we believe, one of the most important pieces of evidence in this case, in that it shows the petitioner's machine in its essential and characteristic feature, not only to be an infringement upon the Liddell Patent, but to have owed its existence to that patent. And the Walker opinion of December, 1896, and the correspondence with Elsas, show that both Claussen and the defendant Company have, in designing, perfecting and completing these machines, gone ahead with the full knowledge of the existence and pertinence of Liddell's invention and patent, and of the fact that the claims of that patent are drawn so as to cover the petitioner's machine.

This case then is one of the *deliberate appropriation* of an orig-

inal and deserving invention, with no better justification than the hope that, by inverting the positive movement of two parts while retaining their relative movement, the invention could be appropriated with impunity.

Mr. Claussen's evidence is also of great value in this case, in connection with the question raised as to the novelty and originality of Liddell's invention, showing, as we assert in another part of our brief, that the prior state of the art was not such as to lead to the Liddell combination without requiring invention of a high order.

We have depicted for us by the defense, in Claussen's deposition, the mental position of one of the best trained experts, and a man having a most comprehensive knowledge of the prior art, when confronted with the problem which Liddell satisfactorily solves. We see this man to have gone so far as to put on paper *the problem*, and to evidence his wish and desire to accomplish the embodiment in a machine, of the oscillating forming plate working in connection with a rotating folding bed. We find that, from the beginning of November, he had the problem in mind, and from the 23d November to the 17th January he was working hard on the design problem presented to him, without getting one inch forward in the difficulty which confronted him as to the relative movements of the oscillating plate and the rotating folding bed. We find that he was at work on the problem from the first of February until the early part of May, and we find no trace of any solution having occurred to, or been represented by him, until after he had read the Liddell Patent, and *then* we find him hurrying up his designs and drawings and coming into the Patent Office in July, with two modifications of precisely the same operative combination designed by Liddell.

We know of no patent case where a similar instructive exhibit has been before the Court, to guide it in determining the question of invention. This Court is accustomed to the *ex post facto* reasonings of the expert witness, with regard to the bearings of this and that old patent or old structure on the quantity of invention to be

found in the patented structure. But we venture to say that it has never in any prior case had such a picture of a practical expert, stored with knowledge of the prior art, with much of which he had been actively connected, and shown in the act of wrestling for months, and wrestling unsuccessfully, with the problem which was solved by Liddell and covered by the claims of his patent. To hold, in view of the Claussen story, that the prior art negatives invention of broad scope in Liddell's co-operative combination, or that the Liddell claims do not cover the Claussen machine of the petitioner would we think be impossible.

(7) Quotations from Opinion of Circuit Court.

Some quotations from Judge Putnam's opinion are pertinent, in connection with the Claussen evidence. In disposing of any possible contention as to non-infringement based on the fact that petitioner's machine is made under the Claussen Patent, his Honor says (R., Vol. 2, pp. 1899–1900:

"*Of course, we need not point out that no presumption will arise unless the patents to Liddell and Claussen were interfering patents. The learned author (Walker on Pats., 4th Ed., p. 278), at the page last cited, says: 'But a generic claim and a specific claim, the first of which secures a particular process or mechanism with its indispensable characteristics, with or without its minor features, and the last of which secures the same process or mechanism, with, but not without, its minor features, are not co-extensive claims, and, therefore, do not interfere with each other.' On the face of the patents, that is precisely the case here. The first twelve claims of the Claussen patent specify as an element an oscillating carrier. Some of the remaining claims specify the same oscillating carrier; but those which do not relate purely to matters of detail, in no way assume to claim the pith of the controverted invention. In addition to that, the specification of the Claussen patent contains nine columns of description of details. Therefore, while the Patent Office might well have regarded that patent as doubtful in its nature, there is nothing on its face to show that it related to anything more than improvements in matters of detail, including with the rest a peculiar species of carrier, none of them referred to in the Liddell patent. So far as we are advised, there is nothing in the record to show that the two were regarded by the Patent Office as interfering patents, so that we may dismiss from the case any such presumption as we are now considering.*"

The opinion fixes Claussen's and Liddell's comparative dates as follows (R., Vol. 2, p. 1957):

"We think that Claussen cannot, under the rules of evidence applicable hereto, fix a date earlier than January, 1896, even if he could establish a date so early as that. As we understand this record, he was prior to that date, substantially in the same preliminary condition that Liddell was prior to January 7, except, however, that Liddell had one clear advantage over Claussen from September 23, 1896, six weeks earlier than Claussen first appears in the art in any form. From that date to January 7, Liddell was constantly working towards the production of a patent, while there is nothing in the record to show that, prior to January 17, if so early as that, Claussen had any purpose whatever of bringing his conception, in whatever condition it was, to a practical result. In fact, taking the case by and large, what the Circuit Court of Appeals for this circuit observed in connection with the quotation from Park's History of Medicine, in Dececo Co. v. Gilchrist Co., 125 Fed. Rep., 293, 296, applies. Liddell was working towards a practical result, though, perhaps, slowly and intermittently, while, so far as the record shows, Claussen was only thinking and waiting."

See, also, as to Claussen's sketch of November 6, 1895, as follows (R., Vol. 2, p. 1919).

"Stone, one of the respondent's witnesses, has made clear the distinction between a machine operating with a Vee-plate and one, like Liddell's operating without a Vee-plate, and thus between Claussen's exhibit No. 5 and the sketch of November 22, 1895; and this distinction we think renders it impossible to maintain that, in the sketch of November 6, Claussen had any clear conception, or, indeed, any conception whatever, of what is described in the claims in suit as a "forming plate," noting that the word "forming-plate," both inherently and in connection with the specification of the Liddell patent, means something very much more than the tucker-plate described by Claussen in the sketch of November 6. Stone's illustrated diagram, in connection with his testimony, is exceedingly clear."

* * * * * * * *

"Here, certainly, is no such equivalency as would deprive the complainant of its simple, but ingenious invention, all the more ingenious because simple, shown in his patent and adopted in the respondent's mechanism, as against the complicated device of November 6. All the details of the sketch of November 6, when operating together, may have produced the same result as the Liddell simple forming-plate, but neither separately nor together do they represent Liddell's conception. On the other hand Stone seems to have made clear the essential distinction between the two, which is that Liddell had what he

truly describes as a forming-plate, while Claussen suggested only a tucker-plate (R., Vol. 2, pp. 1920).

* * * * * * *

"*The latter patent (Claussen No. 598,497) is the one according to which the respondent's machine was built. The period of this final development began apparently in February, 1896, and ended with the filing of Claussen's application on July 20, 1896, being, as we have shown, nearly six months after Liddell's application was filed, and four months after Liddell's patent issued, and nearly seven months after January 7, when Liddell's conception had been fully put in form in the application drawn by Hunter* (R., Vol. 2, p. 1921).

* * * * * * *

"*In addition to all the foregoing. the case has the very common aspect of one wherein two different inventive minds were working almost contemporaneously on the same conception, one of whom put it into definite form, so as to apply successfully for a patent thereon before the other succeeded in accomplishing any complete result. In this way, Liddell gained the position which we have already referred to, as described in Dececo Company vs. Gilchrist Company, 125 Fed. Rep., 293, ubi supra. The law applicable under such circumstances has often been laid down, and always with a result favorable to the complainant in this litigation. It has never been better stated than by Judge* SPRAGUE, *in Johnson vs. Root, 1 Fish. Pat. Cas., 351; Federal Cases, 4711, 2 Cliff., 637* * * * (R., Vol. 2, p. 1921).

"*The law as applied to the circumstances of this case is laid down very positively in Coffin vs. Ogden, 18 Wall., 120, 124. That opinion says on this topic: 'The law requires, not conjecture, but certainty. If the question relates to a machine, the conception must have been clothed in substantial forms which demonstrate at once its practical efficacy and utility.' In conclusion on this topic, prior to January 7, 1896, Liddell's conceptions were, from day to day, at least as fully developed as Claussen's; and, as he first secured his patent, the authorities give him priority*" (R., Vol. 2, p. 1922).

In overruling the Claussen defense, the Court of Appeals said (R., Vol. 2, p. 1927):

"*But Liddell's invention is carried back to January 7, 1896, and no drawing of Claussen made before that time shows any operative combination which anticipates it. For a full treatment of this subject we refer to the opinion of the learned judge of the Circuit Court.*"

VI.

Infringement by Petitioner's Machine.

A consideration of this defense also involves an examination of facts determined in favor of the respondent by all the Judges in the Courts below, upon evidence fully sustaining their decisions.

(1) Complainant's Opening Proofs on Infringement.

The petitioner threw all possible obstacles in the way of respondent, in making its proof of the structure and operation of the infringing machines on the opening case. However, an operative model bag-making machine was constructed and identified, and offered as "Complainant's Exhibit Model of Blank Feeding and Diamond-Forming Parts of Continental Bag Machine."

The preliminary difficulty was merely an annoyance, however, and disappears in connection with the case as finally presented, because petitioner, on its own case, admits the construction of its machines under the Claussen Patent No. 598,497, with certain immaterial variations derived from the Claussen and Mortson Patent No. 635,090. Petitioner also finally produced for inspection and had its experts testify about, the actual petitioner's machine designated throughout the evidence as "Walker Model Room Machine." Mr. Walker, however, never offered this in evidence as an exhibit, nor even marked it for identification, but it was produced on the hearing in the Circuit Court, and in the Court of Appeals, so we shall refer to it in this brief accordingly. It is illustrated in a single, complicated one-sheet drawing marked "Walker Model Room Machine," and offered in evidence as Defendant's Drawing No. 11. Respondents also, in order that there might be a better illustration of this machine, which petitioner admitted is used, offered in evidence, in connection with Mr. Dayton's testimony, "Complainant's Exhibit Drawing Walker Model Room

Machine, Perspective Views" (reproduced R., Vol. 1, p. 917), and illustrating, in connection with testimony of Dayton (R., Vol. 1, pp. 453, 458), in a series of three perspective views, successive operations of the diamond-forming mechanism of petitioner's machine in forming diamond folds.

The claims of the Liddell Patent cover both the structures referred to, and include that of the "Walker Model Room Machine," just as clearly and vitally as they do that of "Complainant's Exhibit Model" of the opening case. Or, if limited in the way petitioner contends, to specific details of operating mechanism, forms of cams, and forms and adjustment of gripping-fingers, etc., etc., they are not infringed by any of the structures alleged to embody petitioner's machines, and, indeed, it would be hard to make a structure which would infringe the patent, under such a construction thereof, unless a "Chinese copy" thereof.

(2) Petitioner's Infringing Machine.

The specific comparison of petitioner's machine with claims 1, 2 and 7 of Liddell Patent, is made by Mr. Dayton on the opening case (R., Vol. 1, pp. 42–53) on his direct. Mr. Dayton, recalled on the opening case, gives further consideration to this matter of infringement (R., Vol. 1, pp. 97, 103). The same witness, called in rebuttal, deals with this question of infringement (R., Vol. 1, pp. 450–482).

This testimony, of course, cannot be quoted at length in the brief. The results reached may be very briefly summarized by saying that he finds in petitioner's machines, and in the diamond-folding portions thereof, corresponding to the diamond-folding portions of the Liddell machine, mechanisms corresponding and equivalent to those specified in Liddell Patent, and existing and operatively combined in such a way as to clearly fall under the terms of claims 1, 2 and 7, as well as embodying the spirit and principle of Liddell's real invention.

(A) The petitioner's machine is precisely the same in its operative combination of parts as the machine described in Liddell's Patent,

except that the former plate in the petitioner's machine moves on a positively fixed axis or pivot, the essential "to and fro" movement between the former plate pivot and the folding bed, being secured in the petitioner's machine by making the bed movable on its carrying cylinder, so that it recedes from and approaches the pivot of the forming plate during the coaction of the former plate with the folding bed, just as in Liddell's machine the pivot alternately recedes from and approaches the folding bed. The relative movements of the forming plate and its pivot with respect to the folding bed, are absolutely the same in both machines, and the question is simply whether the petitioner was justified in appropriating the entire coactive combination of Liddell's patented machine, by the simple and obvious expedient of imparting to the folding bed the positive "to and fro" movement, which in Liddell's patented machine is imparted to the former plate pivot, the relative movement of the parts remaining precisely the same, and their coaction for the useful purpose of the invention being identical.

It is apparent on the briefest understanding and examination of the petitioner's machine, that it embodies precisely the same conception of operative means which was first devised by Liddell, and covered by the claims of his patent; the rotating folding beds with their devices for engaging blanks at the critical point of the lower ply, and the relatively stationary oscillating former plate, with the corresponding engaging devices for the upper ply of the paper, are essentially the same in both machines, and the coactive operation of the folding beds with the former plate is precisely the same. The only difference being, as already stated, that the necessary and essential relative to and fro movement of the former-plate pivot, with reference to the folding bed is secured in the petitioner's machine by making the folding bed, the positively movable part, move toward and away from the former-plate pivot, instead of making the former-plate pivot, the relatively movable part, move toward and away from the face of the folding bed. The relative movements and the coaction of the parts in the formation of the diamond, are precisely the same in both machines, and the difference, to wit: the inversion of the

relatively moving parts is, we believe, what may be taken as typically a distinction without a difference, the substitution of an obvious mechanical equivalent for accomplishing the same purpose, and the very type of the sort of evasion which is never held by the judicial mind to in fact evade.

(B) Petitioner's machines are all essentially alike. The slight variations are immaterial (see Testimony of Stone, Vol. 2, p. 1198, Q. 60; Dayton, R., Vol. 1, p. 459; Elsas, R., Vol. 2, pp. 1348, 1349).

(C) There is no real denial that Liddell's claims in suit are broad enough on their face and in expression and terms, to be readable upon petitioner's machines, provided the claims do not have limitations of specific mechanism (as, for example, specific details shown in Liddell's Patent drawings) read into them as limitations.

(3) PETITIONER'S MACHINE EMBODIES SUBSTANTIALLY THE SAME PRINCIPLE AS THE LIDDELL PATENT AND MACHINE, AND DIFFERS THEREFROM ONLY IN THE DETAILS OF CONNECTING PARTS TO PRODUCE THE OPERATIVE COMBINATION AND RESULTS, WHICH PARTS, THE LIDDELL PATENT POINTS OUT, MAY BE VARIED. SUCH DIFFERENCES ARE:

(A) The supporting axis of petitioner's forming plate is at almost its centre, instead of at the "remote" end. This is a mere inferiority without substantial difference. See Dayton's testimony (R., Vol. 1, pp. 505–508).

(B) Petitioner's cylinder is not a complete cylinder, but cut away in certain places. This is at certain points to give room for the working edge of the former plate, so that it will not strike the revolving cylinder while the plate is oscillating *backwards* to its position of beginning work. Note, however, that Claussen's Patent No. 598,497, under which petitioner manufactures, is not shown as so recessed, and would be inoperative unless so recessed, because the former plate in retreating will inevitably collide with

the periphery of the cylinder and break or stop the machine. Petitioner asserts, however, that it would require *only mechanical skill*, not invention, in constructing the machine, to appreciate this fact, and provide for it by cutting away the cylinder. This difference is, therefore, one only involving mechanical skill (Stone, R., Vol. 2, pp. 1269-71, x-Qs. 249-253).

(C) Petitioner's cylinder, or conveyer, or carrier, while rotary like respondent's, is so arranged that the portions of said cylinder which act as the folding bed portions, and co-operate with the former-plate in forming the diamond fold, move towards and away from the supporting axis on which said former-plate is mounted or journaled, instead of the axis of said former-plate moving, as in the Liddell machine. This mechanism of petitioner provides for the same relative amount of motion as between the former-plate and the folding bed, so that the former-plate shall have space enough to rise from its initial position to a radial position, and then again become tangential in forming the diamond fold, completing its forward oscillation, and also have room to oscillate backwards without striking the cylinder, to the point where it begins its operative working on the next bag blank. But this is a mere reversal of the moving parts, as is clearly seen by comparing the Liddell machine with the petitioner's machine. If the cylinder rotates, but has no capacity of accommodation to the oscillating swing of the former-plate, in respect to space required, then, of course, the former-plate must be so supported, and on an axis capable of the requisite degree of motion, that its axis shall move, and permit the space required for the oscillation. This is the Liddell specific way of making the moving parts accommodate each other coactively. The Claussen specific way, as above seen, gives to the cylinder the same rotating motion, but supports the axis of the forming plate so that it does not give the required motion of accommodation in respect to the periphery of the cylinder, and provides for this by making the folding bed parts of the cylinder periphery of such con-

struction, viz., pivoted on the cylinder, and capable of movement thereinto to a sufficient extent, to provide this necessary accommodation of space. In this connection, see Complainant's Exhibit "Dayton Model Optional Movements" and "Dayton Sketch Optional Movements" (R., Vol. 1, p. 918), for illustration of the simple nature of change from Liddell's to Claussen's method, of relative accommodation for the moving parts (R., Vol. 1, pp. 473-475).

(D) Petitioner's machine side tuck fingers are different in form and mounting, and the end finger of the former-plate is longer and closer (Dayton, R., Vol. 1, p. 301). The fingers of petitioner's machine are also alleged to be different from those of complainant's, in that petitioner's not only fold, but clamp. But this is a mere addition of function, beneficial or otherwise, and does not avoid infringement.

Fingers of various kinds, such as both Liddell and petitioner illustrate in their patents, and use on their machines, are old in numerous forms, and indeed in the forms shown by both, in the art prior to both (see Testimony of Stone, R., Vol. 2, Q. 42, p. 1182; see L. & H. patent No. 337965, Vol. 3, p. 115; see Dayton Testimony, R., Vol. 1, p. 358).

The central finger of petitioner's machine was old in the art (see Cross Patent No. 222,464, R., Vol. 3, p. 1).

(E) Petitioner's operating means for the forming plate is more complicated than respondent's. To so arrange the folding beds on surface of rotating cylinder, that they have a sufficient amount of motion within or into its periphery to accommodate the necessary action of the oscillating plate, instead of giving this amount of play or motion by moving the axis of oscillating plate, is a mere reversal of moving parts and an obvious mechanical expedient, demanding nothing like invention after the nature of required movement of the forming-plate had been pointed out in the Liddell Patent (see testimony of Stone, R., Vol. 2, x-Qs. 248, 253, pp. 1268, 1271). The

relative movement is the same in both constructions (see Dayton, R., Vol. 1, p. 474).

The *desideratum* in a paper bag machine is the manufacture of the maximum number of bags per hour, with the least wastage by reason of defective bags, and the least interruption by reason of disorganized machinery, and the considerations noted above make it clear to a demonstration, that the form of mechanism illustrated in Liddell's patent is from every practical point of view better adapted for the high speed manufacture of bags with the least possible wear on the mechanism, than is the petitioner's modification. So that it is impossible to escape the conclusion that the adoption of Claussen's modification was induced by no other consideration than the hope that in the expected suit for infringement, a court might be induced to consider the modification as a difference in kind, and not what it is, a mere difference in form, which retains and utilizes, though not to their highest efficiency, every inventive principle which is embodied in the Liddell machine.

(4) Summary on Infringement.

(A) *Some considerations applicable to the Liddell patent in suit.*

A "combination," in the sense in which the term is used in the patent law, means a certain number of specified mechanical elements or parts, or their equivalents, coacting or interacting together in a certain way to produce a certain effect. An enormous preponderance of inventions are properly characterized as combinations, and the "combination claim" has become the typical one in the American patent system, especially since the Courts have limited the applicability of so-called "method claims," and the Patent Office has refused to consider claims in which the "function" of the coacting devices is made the salient distinctive feature.

The specification of a patent, by statutory requirements, must contain a sufficient description of the invention, and must in connection therewith point out and distinctly claim that which the inventor asserts is his invention (Rev. Stat., 4888). But no section of

the statutes requires that the section of the specification which does so point out the invention which the inventor claims as new, and desires to protect, should be in the form of what are now termed the " claims " of a patent ; that is to say, of numbered abstracts of the inventive features specified, appended at the end of the specification. There was in force when Liddell's patent was applied for and issued a rule of the U. S. Patent Office—No. 37—as follows : " The specification must conclude with a specific and distinct claim or claims of the part, improvement or combination which the applicant regards as his invention or discovery." But this was merely a rule of practice. Therefore, the form and make up of a patent specification is a mere convention and not a statutory requirement. It follows that in all cases it is proper to read the abstract or, as it has come to be called, " the claim " of a patent, in connection with the rest of the specifications, and when the whole document makes clear and distinct what the patentee distinguishes from other inventions as that which he wishes to claim and protect, the law has been fully complied with ; but with an abstract or " claim " specifying a " combination " as the invention to be covered, the reading of the specification in connection with the claim becomes indispensable. The usual form of " claim " would call, for instance, for the " combination of A, B and C." What combination ? Unquestionably that specified, for no other combination of A, B and C could be within the scope of the claim, for the simple reason that the patentee had invented no other combination of these specific elements, and if he had he could not cover it in the same patent because it would be a different invention.

It is important in the case at bar that these elemental principles and facts should be kept in mind, not only because in this case, as in all other cases of combination claims, the specification is necessarily to be read in connection with the claim to ascertain what the claimed " combination " is, but also because the specification contains several passages which emphatically point out what the claimed " combination " is *not*. For instance, in passage beginning line 6, page 2, where the patentee says (R., Vol. 1, p. 117) :

"In place of these devices for controlling the movement of the plate E, relatively to the cylinder C, the said plate *may be moved or operated by any other suitable means.* The return movement of the plate E is unimportant so long as it is secured in time to receive a new bag tube or section thereof." (Italics ours).

Again, see line 87, page 2, here the patentee says:

"It is quite evident that the delivery, paste and subsequent folding devices may be made in any of the well known manners and their particular construction is immaterial to my invention."

Again, see line 128, page 2, where he says:

"While I have shown the nippers upon the cylinder C, they are not necessary," etc.

While, finally, the paragraph immediately preceding the claims is incorporated in the specification for the same purpose, reading as follows:

"It is evident that the *mere mechanism for securing the several movements to the different parts may be moved or changed in various ways without departing from the spirit of the invention* and I do not therefore confine myself to the details of construction here shown."

Now, the two main elements of the combination of the first claim of the patent, are the rotating cylinder C and the forming plate E, the other specified elements in the claim are adjunctive, being either appurtenant to the two main elements, as are, for instance, the gripping fingers, which hold one side of a bag blank to a bed on the cylinder and the other side of the bag blank in fixed position on the forming plate, or they are concerned with the motions given to the active instrumentalities which act upon the bag blank in its conversion into a diamond fold. Unquestionably we must have all these adjunctive elements of the claim present in a structure which comes within the scope of the claim, or we must have their equivalents present, the equivalents being in such a combination the same as the thing itself. The clauses above quoted from the specification, show that with regard to "the mere mechanism for securing the several movements of the different parts," the scope of the claim is practically unlimited, while the first passage

above quoted from the specification is practically to the same effect, plus the additional statement that "the return movement of the (forming) plate E is unimportant," that is, it is in no sense a part of the combination, and may be brought about in any way so long as it does return to position to engage a new blank at proper intervals of time. Clearly then, the combination to which the claim relates is essentially that existing between the rotating cylinder and its adjunctive elements, and the forming plate and its adjunctive elements. The coactive interaction between the cylinder and the forming plate depends upon certain relative movements of these two parts. The cylinder itself, in the embodiment of Liddell's invention described in his specification, has but one movement, that of rotation. The forming plate, supported outside of and independently of the cylinder, may be said to have three motions, namely, (1) a bodily movement of the plate alternately toward and away from the surface of the cylinder, (2) a rotary movement of the plate on its extraneous support, and, lastly, (3) a rotary movement around its rear edge, which is mathematically a mere resultant of its two positive movements (Nos. 1 and 2 above) and by which its so-called "rear edge" remains in contact with a line on the surface of the cylinder, while that line is moving through a determined arc of the rotary travel of the cylinder. The function of the rear edge being to define the cross-fold of the diamond, formed on the bag blank by the coaction of the two devices and their appurtenances.

(B) *The Petitioner's Machine.*

In the Petitioner's machine will be found the rotary cylinder, the forming plate supported on a pivot extraneous to the cylinder and coacting with the cylinder in exactly the same way, that is to say, having a rotary movement on its extraneous axis and a relative to and fro movement toward and away from the surface of the cylinder, with exactly the same secondary or resultant rotary movement about the rear edge of the forming plate, which rear edge, as in the respondent's machine, remains in contact with the line of

the cylinder during its movement through a similar arc, and for exactly the same functional purpose with regard to the bag blank. The only difference is that the relative to and fro movement of the supporting pivot of the forming plate with regard to the surface of the cylinder is, in the petitioner's machine, effected by giving to sections of the cylinder surface a movement alternately toward and away from the pivot of the forming plate, while in the machine of the Liddell Patent, exactly the same relative movement is effected by giving this to and fro movement to the forming plate pivot.

The relative coactive and interactive combination of the parts is precisely the same in both machines, and this applies not only to the two main elements, to which, for the sake of clearness, we have confined our analysis of the machines, but to every element, including all the adjunctive and appurtenant elements called for in the claim. The difference between the two machines is in the "mere mechanism" by which a precisely similar coactive and interactive combination of the parts is effected, and the question of infringement is, it seems to us, boiled down to the proposition that a claim for a combination can be evaded, and yet the whole invention used and availed of, by the simple expedient of so altering the "mere mechanism" by which the necessary relative movements are given to the parts or elements, that they will not move in exactly the same way with reference to a stationary point, notwithstanding the fact that their *relative* movements, and their *coaction* to the desired result remain precisely the same.

From one point of view, the argument as to non-infringement may be said to depend upon reading into the claims of the patent details of the "mere mechanism" illustrated in the patent drawings, and stated in the patent to form no part of the invention, in fact forming no part of the actual invention. If it were necessary we could, we believe, make it clear that even to the least detail of mechanism, the petitioner has copied and availed itself of the structure described in the patent, with the merest change of form and not in kind, of even the me-

chanical details. But, as it seems to us, the real vice of petitioner's position on non-infringement is that it involves ignoring what is, in fact, the subject matter of the claims, to wit, the combinations of the specified parts coacting together in the specified way. What has above been said as to Claim One, applies equally to Claims Two and Seven proceeded on.

(C) *A Reply to Petitioner's Position.*

The essence of the petitioner's argument on the subject of infringement may be briefly stated to be the assertion that no patent which is not a "pioneer" patent is entitled to the benefit of the doctrine of equivalents; that no improvement patent is infringed unless a defendant makes an identical or practically "Chinese copy" of the structure thereof. If these propositions fall, Mr. Walker, it seems to us, practically admits infringement; certainly he presents no valid reasons on which infringement could be reasonably questioned.

On the general subject of the construction of patents, it would be mere affectation for us to go into an elaborate discussion of authorities. This Court has thoroughly considered this question. The Patent Statutes promise and undertake to secure to an inventor protection coextensive with his invention, subject only to a proper formulation by the inventor of a clause of his specification, which will sufficiently point out what it is he desires to protect as his invention. As we have already pointed out, the typical claim of an American patent is a combination claim—that is to say, a claim which defines the invention to be secured as made up of a certain selected number of parts, known technically as elements, interacting and coacting in the same way that they are described as interacting and coacting in the specification.

A claim of this kind is generally capable of both broad and narrow construction, and the rule laid down by the Courts for their proper construction is that they shall be construed, as far as is compatible with what they clearly express, to cover what is, in fact,

the invention upon which they are based, and to which they must necessarily relate.

The doctrine of equivalents applies to all inventions, whatever may be their character. A patent covering a valid invention not only covers the invention as claimed, but also every other thing which in law is the equivalent thereof, the range of equivalents being broad or narrow, according to the extent and nature of the invention, viewed in the light of the advance which the inventor has made over the prior art.

Practically, the question in each case resolves itself into a consideration as to how broadly the claim is entitled to the benefit of the doctrine of equivalents, for in all cases where the question is raised at all the alleged infringer has varied from the exact structure described in the patent, and contends that the elements of his combination are not the elements called for in the patentee's claim, or else that their interaction and coaction is materially different from that of similar elements in the combination called for by the patentee's claim.

In discussing questions of equivalency between elements of combination claims, it is, from one point of view, of great advantage to the patentee, that his invention should belong to an already well developed art, because in such a case it is generally practicable to point out in the older patents and machines the use of elements in various modified forms, and thus make clear not only that the defendant's changed form of an element is an equivalent, but that it is a well known and recognized equivalent for a certain element of the patented combination. But where the patentee is working in a new field there is practically no prior state of the art, and therefore if it were necessary to limit the invention to the exact form of the elements of his claim, or to known equivalents, the more fundamentally new an invention was, the more narrowly the claims for it would have to be construed; a proposition, the absurdity of which is its own refutation.

It is, we think, as against the proposition that the doctrine of equivalents should be limited to known equivalents, that the

Courts have dwelt so much on the breadth of the construction to which pioneer patents are entitled, the underlying thought being not to establish a narrow rule of construction for improvement patents, but to insist that a pioneer patent was entitled to the same fundamental rule of construction, namely, that its claims should be construed broadly enough to cover what was in fact the invention actually made by the patentee, and intended to be protected in his patent.

(D) *The Rule of Equivalency to be Applied.*

In view of the decision in *Morley Machine Co. vs. Lancaster*, 129 U. S., p. 263, where this Court is at pains to point out the breadth of construction to which a pioneer patent is entitled, it has become the custom for experts and counsel representing a patentee, to contend that their inventors are pioneers, and therefore it has also become necessary for the Courts, in disposing of great numbers of cases, to point out that this claim is unfounded, and that in this or that case the prior state of the art shows that the patentee was not entitled, by reason of the limited nature of his invention, to the broad application of the doctrine of equivalents, to which he would have been entitled if he had been in fact a pioneer in the art. But, as we understand it, in no case has this Court expressed or intended to express the view that a patentee's claim should be construed to cover less than his invention, if it were capable of a construction coextensive with the invention. In no case has this Court failed to find that what is in *fact* an equivalent to an element in a patentee's combination claim, is in *law* an equivalent, and this dependent altogether on a consideration as to whether the defendant's structure is fully within the scope of the patentee's actual invention, and fairly within the terminology of the claim of the invention put forth in the patent.

From our point of view it seems no more material that there were nineteen patents preceding the one in suit, and having for their object to open the diamond fold on a bellows folded blank,

than if there were none, or one, or nineteen hundred. The question with regard to the prior art, is whether it shows the combination invented by the patentee and to which his claims relate. It may be, that some of the prior patents are relevant to the broad application of the doctrine of equivalents, for manifestly the claims are not to be construed with sufficient breadth to cover what was notoriously old in the art, and thus made void, unless it is clearly apparent that they were intended to have such a broad construction and are not fairly capable of a narrower construction. It is not contended in this case, we believe, that any of the claims involved in this suit are actually anticipated, that is to say, are so drawn as to cover what was in fact old in some of the prior patents illustrating the previously developed art. We think no such claim could receive serious attention. But if it happened in this case, as it has happened in many other cases, that a claim was so vaguely expressed that it might be construed as covering some structure already old, then the showing of the prior art would be helpful to the proper reasonable construction of the claim, because it would show that neither the inventor in applying for his patent, nor the Patent Office in granting his patent could have intended it to have any such broad scope, because they are both charged with knowledge as to what was in fact old, and are to be presumed not to have intended that the claim should receive a construction which would make it for unpatentable subject matter, if it is fairly capable of a more restricted interpretation.

But there is in this case as little occasion for a mercifully narrow construction of the Liddell claims (to save them from the prior art), as there is for an excessively broad construction in order to maintain infringement. The combination of the cylinder with its adjunctive elements, and of the former-plate with its adjunctive elements, which the patent describes and seeks to cover by its claims, is an absolutely novel and very distinctly meritorious invention. It is true that in one prior patent a cylinder had been used, and in another prior patent a forming plate had been used, but in neither of these earlier patents was there any combination at all of

a cylinder and a forming plate, still less was there any such combination of the cylinder and the forming plate, as Liddell invented, describes and seeks to protect by his claims; and as we have pointed out in our brief, it is this combination which is protected. In the petitioner's machine you find precisely the same combination of the forming plate and rotating cylinder, each provided with the same adjunctive elements and all interacting and co-acting together in exactly the same way, the only difference being that the essential to and fro movements of the forming plate of the cylinder, while *relatively* they are *maintained* just as they are in Liddell's embodiment of the invention, are ingeniously *inverted*, but without in the least affecting the coactive combination of the operative parts.

If, as might well have happened, Liddell's claim had specifically referred to the forming plate as having this to and fro movement with reference to the cylinder, we should present this case with practically the same confidence with which we are now urging it, relying on the proposition that the mere inversion of the relative movements, *i. e.*, giving the reciprocatory movement to a section of the cylinder, instead of to the pivot of the forming plate, is in every sense the merest substitution of an equivalent, and in no possible sense an evasion or avoidance of the combination claim. But the actual situation renders this argument unnecessary, and forces on the petitioner the violent construction of the patentee's claims by which it is sought to read into them the *specific mechanical details of the Liddell machine illustrated in the drawings*, and constituting that "mere mechanism" which the patentee emphatically asserts is "no part" of his invention, and which in fact would be a limitation on his actual invention, not warranted by the prior art, or anything in the patent. The fact is that the petitioner's argument on the question of infringement comprises what he has called "two grand divisions," by the first of which he seeks to force down the patentee's throat a patent utterly different and dissimilar from the one actually issued, and characterized by having as its main subject matter this device referred to by

the patentee as the "mere mechanism" for imparting the necessary coactive movements to the elements actually claimed; and having built up an imaginary patent which ignores the fundamental invention really claimed by Liddell, he then, in the "second grand division" of his argument, has proceeded to demolish his own creation.

The petitioner is at great pains to point out that the Lorenz and Honiss Patent 333,647 embodies as one of its elements a rotating cylinder. Now the testimony fails to show that this was a practicable machine; but even if it were, it does not pretend that it has a forming plate, or that anything in the least analogous to a forming plate is found in that machine in the same, or a similar co-active combination as the combination of the forming plate and cylinder in Liddell's Patent.

The petitioner also refers to the Stillwell Patents as having rotating cylinders of the same general character as that of the Liddell Patent. It was found by the Court of Appeals for the First Circuit in the case of *New York Paper Bag Machine & Manfg. Co. vs. Hollingsworth & Whitney Co.*, 56 F. R., 224, that the lower feed roll of the Stillwell machine, to which Mr. Walker refers as a cylinder, was in fact a very different device; but assume that it is a cylinder, there is still no forming plate and no such combination of a forming plate and cylinder as constitutes Liddell's invention. Mr. Walker argues, a forming plate is to be found in the Lorenz and Honiss Patent 337,966; but that patent embodies no rotating cylinder, and not only so, it involves no combination between its forming plate and its coacting reciprocating carriage, which is in the least analogous or similar to the combination which we find described in Liddell's Patent. The above comprise the utmost limitations of the art prior to Liddell, and fully justify the expression of Judge PUTNAM'S opinion (to which Mr. Walker takes elaborate exception) in regard to Liddell's invention, that "*the Liddell Patent does disclose invention, and we think its nature is so clear, and, as we have said, so disconnected from what precedes it by such a* HIATUS, *that, if the claims are as extensive as the invention, there is no difficulty so far as concerns the application to the case of*

the rules with reference to equivalents." We are not claiming here that we have by our ownership of Liddell's Patent the right to monopolize all possible machines embodying a rotating cylinder as a folding bed, nor do we claim to exclude any one from the use of a forming plate, so long as he does not use it in connection with a rotating cylinder and in substantially the same coactive combination with the cylinder, which was invented by Liddell, and which combination it is the object of his patent to protect. It is open to any one to combine a forming plate and a rotating cylinder, if he can make an effective combination, which is other and different from that invented and patented by Liddell. Our position is simply that the petitioner has invented no new *combination*, but has embodied on its machines precisely the same principle and the *same combination* of cylinder and plate, which is the main feature of Liddell's combinations, and has changed and varied from the exact mechanism described by Liddell only in those features which Liddell points out as constituting no part of his invention, and that petitioner's change has consisted in the mere inversion of the necessary reciprocatory movement, by giving the actual reciprocation to a section on the cylinder instead of to the pivot of the former plate, a merely mechanical change, which does not in the least affect the existence of the combination, or the coactive relationship of the parts.

(E) *Petitioner Infringes Claims 1, 2 and 7.*

Summarizing the above comparison and details, it becomes clear that Liddell's basic or broad inventive idea, disclosed and claimed in his patent in suit, has been utilized by Claussen in his Patent No. 598,297, in which, therefore, he was entitled to, asked for, and obtained, only limited claims for details of structure and operation. It follows from this that petitioner's machine made under said Claussen Patent, is tributary to the Liddell Patent in suit, even though it embodies detailed features of difference, described, shown and covered by the claims of said Claussen Patent, and, as this

Court has repeatedly held, is an infringement, even if petitioner's machine was an improvement on Liddell, which it is not. This Claussen Patent might act to prevent the respondent or others from using the specific method shown therein, and embodied in petitioner's machine, for carrying out the broad Liddell idea of operative mechanism for making the diamond fold. But admitting all that, it simply makes Claussen and his machine, subject to, although differing in minor details from, the Liddell claims in suit. The comparison of Liddell's Patent and machine with Claussen's Patent and machine, or more clearly still, of the two machines as showing the operative embodiment of the two patents, is convincing, and did convince the Circuit Judge and the three Judges of the Circuit Court of Appeals, who saw both the actual commercial machines operated in Court, that the petitioner's machine embodies the broad conception of operative means which was first devised by Liddell and covered by the claims of his patent, and where it differs in mechanical details, provides equivalents.

The claim of non-infringement resolves itself, as we have already indicated, simply into the question whether the inversion of the essential relative to and fro movement of the folding beds and former plate, is a successful evasion of the patent. We believe that the mere statement of the proposition is sufficient to insure its refutation, but we have the admission of the petitioner's expert, Mr. Stone, to the effect that the Liddell movement being known, there would be no invention required in changing it to the form found in the petitioner's machine. Mr. Stone, at the time he testified, believed that the petitioner's device was mechanically much superior to that provided for by Liddell, but as a matter of fact, and as we have made abundantly evident in the testimony, Liddell's embodiment of the co-operative conception is a much more scientific and efficient one than is the attempted evasion, found in the petitioner's machine, and on examining the problems involved we believe the Court can come to no other conclusion than that Claussen devised the particular modification of the petitioner's machines in the hope or belief that it would evade Liddell's Patent, while utilizing

Liddell's invention, and not because of any superiority or advantage inherent in the modification.

(5) The Law Which Governs.

There is no question but that the decision of this Court, announcing a principle of law, is binding on the lower Federal Courts, where the principle is applicable to the facts of a particular case. This is simply the rule of *Stare decisis* that where a principle of law is announced by a Court of last resort, the lower court is bound to follow and give effect to it, notwithstanding what its views may be as to the correctness or wisdom of the principle, and its application. This doctrine has been repeatedly announced and followed by the Federal Courts. See *Lau Ou Bew vs. United States*, 47 F. R., 641, C. C. A., 9th Circuit. The doctrine is substantially announced by this Court in almost every reversal of a lower Court, where they have not followed the law as laid down and applied by this Court.

The lower Courts in the case at bar did not depart from this doctrine. The mere fact that the lower Courts did not refer to and discuss the cases cited by the petitioner's counsel, does not warrant him in asserting that the lower Courts failed to follow the law as announced and applied by this Court. The Judges of the lower Courts merely refused to accept the interpretation placed upon the decisions of this Court by the petitioner's counsel, for his purpose in this case, and to apply those decisions, when so interpreted, to a different state of facts than that which the Courts really found to exist.

Discussion, from a legal standpoint, of the subject of infringement of letters patent for inventions, we believe, has been exhausted in the opinions of this Court, in the following cases:

Winans vs. Denmead, 15 How., 330.
Morley vs. Lockwood, 8 Wallace, 230.
Mason vs. Graham, 23 Wall., 261.
Ives vs. Hamilton, 92 U. S., 426.
Union Paper Bag Machine Co. vs. Murphy, 97 U. S., 120.

Elizabeth vs. Pavement Co., 97 U. S., 137.
Tilghman vs. Proctor, 102 U. S., 707.
Clough vs. Barker, 106 U. S., 166, 178.
Morley vs. Lancaster, *supra*.
Electric Co. vs. La Rue, 139 U. S., 601, 606.
Hoyt vs. Horne, 145 U. S., 302.
Kokomo Fence Co. vs. Kitselman, 189 U. S., 8.
Cimiotti vs. American Fur Co., 198 U. S., 399.
Computing Scale Co. vs. Automatic Co., 204 U. S., 609.

And in the opinions of the Circuit Court of Appeals in

Reece Button Hole Machine Co. vs. Globe, 61 F. R., 958 (1st Cir.).
Devlin vs. Paynter, 64 F. R., 398 (3d Cir.).
Crown Cork & Seal Co. vs. Aluminium Stopper Co., 108 F. R., 645 (4th Cir.).
McCormick vs. Aultman, 69 F. R., 371–387 (6th Cir.).
Bundy vs. Detroit, 94 F. R., 524 (6th Cir.).
Kinlock vs. Western Electric, 113 F. R., 653 (8th Cir.).

See also the two well-known text books on the law of patents.

Robinson on Patents, 1890, Vol. 1, p. 350.
Walker on Patents, 4th Ed., pp. 308, 309, 312.

It is unnecessary and impossible to repeat this discussion here in detail.

All of the twelve decisions of this Court, referred to by the petitioner, were called to the attention of both the Courts below, by Mr. Walker. None of them announce a doctrine or rule contrary to that for which we contend, and which was applied to the case at bar by the Circuit Court of Appeals and by Judge PUTNAM. The case of *Cimiotti Unhairing Co. vs. American Fur Refining Co.*, *supra*, having been decided in the Supreme Court subsequent to the argument of the present case at Circuit, was made the subject of a separate and additional brief filed by Mr. Walker in the Circuit Court, and replying brief by complainant-respondent, both filed by special leave of Judge PUTNAM.

The Cimiotti Unhairing Company Case.

We do not consider it necessary or advisable to try to follow Mr. Walker through the maze of interpretation of Supreme Court decision which he creates, every case referred to alleged to be in his favor and all of them exactly in point. But we will take up in detail this *Cimiotti* case, as the most elaborate recent expression of the opinion of this Court, on the question of infringement. Mr. Walker has alleged this case to be absolutely conclusive in his favor, and even takes from it the language used in formulating his second assignment of error, covering the question of infringement. Upon the word "differentiated" as defined and used in this case, he seems to base his non-infringement argument. If this case is shown to lay down a rule in our favor, not against us, we feel we can safely pass over without critical reference the prior citations on which he relies.

This case, as we understand it, is far from a precedent which would require or justify a ruling that the petitioner does not infringe the patent in suit, and the differences in the facts before the Court in that case and those to be considered by this Court in the present case are manifest and vital.

In the first place, Mr. Walker has misread the opinion of the Court, or is setting up views of his own in opposition to those of the opinion, when he says that not one of the prior machines was like the Sutton machine, referred to therein (the suit being brought on the Sutton Patent), either in mode of operation or in construction. The extracts from the opinions of Judges COXE and WALLACE, quoted by Mr. Justice DAY on page 408 of the report, and his own findings on page 409, show that, on the contrary, the Sutton machine was very much like the preceding machines, and that the patent was sustained as involving invention over and above the preceding patents, only on evidence that the apparently trivial mechanical differences had a material effect on the commercial value of the machine. The Covert prior machine, it appears, lacked nothing of the Sutton invention except

the substitution of a rotary brush for a cloth-covered roller, and the use of the rotary brush for the same purpose, though not in exactly the same combination, was shown to be old in the other prior machines. There was, then, in the Sutton machine no novelty in the general conception of a coactive combination of parts, and not even invention in the specific combination forming the instrumentality illustrated in his patent, with the single exception that he had substituted a better and more efficient instrumentality in the combination.

Now, with regard to Liddell's patented machines, the facts are startingly different, because Liddell had devised an entirely new and strikingly original mechanism for forming the diamond on the bellows folded blanks, a mechanical device so different from those which had preceded it in the art, that it practically afforded a third independent method of manufacturing the Self-Opening Square bags, since it differed so widely from the previously patented machines in use, as not to embody the inventions which characterized those machines nor come under the claims of the prior patents.

Not only was the Sutton patent one based on an exceedingly narrow invention, but its claims were narrowly drawn. The eighth claim, the only one alleged to be infringed, calls emphatically for a "fixed stretcher-bar," for the location of other parts of the combined mechanism in specific relationship to this fixed stretcher-bar, and for "a stationary card above the stretcher-bar." By final analysis, the opinion of Mr. Justice DAY makes the absence of the "stationary card" from the combination of the defendant's machine, the basis of the decision of the Court, denying infringement (see page 415) though he is at pains to point out also not only that there was no "*fixed* stretcher-bar" in the defendant's machine, but no such combination between the stretcher-bar and the other instrumentalities co-acting with it, as was found in the Sutton machine (see pages 413 and 414). But in discussing this question his Honor is very careful to guard the Court against the implication apparently made by Mr. Walker, that a mere transposition or substitution of parts would make a differ-

ence in the question of infringement (see paragraph at bottom of page 413).

In the case of the Liddell patent, there is no limitation in the claims which requires to be ignored or explained away in order to hold the petitioner's machine as an infringement of the broad terms of the claims, and as in strict accordance with the clear statement of invention of a specification, where the inventor is at pains to point out that the "mere mechanism" for giving motion to the essential co-operating parts is no part of the invention which he is describing and intends to claim.

Mr. Walker's brief embodies, and consists in, an elaborate attempt to read into Liddell's claims limitations directly in conflict with the express statements of the specification. This is not because he undertook to show that Liddell's invention was not broad enough to support his broad claims, but apparently because Mr. Walker had counted the prior patents and found that there were nineteen which described other and different mechanisms for accomplishing similar results. Therefore he claims (we will not say argues, because argument is impossible on such terms) that the Court must read the patent as covering only the exact mechanical structure shown in the drawings, and must shut its eyes to the true scope of Liddell's invention, and must ignore the self-evident fact that the patent is properly drawn to cover the broad invention which Liddell unquestionably made, and which the petitioner has just as unquestionably adapted into its machines.

We submit that there is nothing in the opinion of the Supreme Court referred to as formulated by Mr. Justice DAY, or in any preceding authority, which affords the least basis for Mr. Walker's numerical theory of constructional limitation, or for any other rule of construction than the time honored one that a patent is to be construed to cover the invention, if judicially it can be so construed.

The above contentions are emphasized by referring to the concurring opinion of Judge WALLACE in *Cimiotti Unhairing Co. vs. American Unhairing Co.*, 115 F. R., 505, which is referred to by Mr.

Walker, and by this Court in the Cimiotti Unhairing Company case (198 U. S.).

After the extract from the opinion of Judge WALLACE, which is quoted on page 308 of the Supreme Court's decision, Judge WALLACE says (p. 505):

Sutton's machine was designed for unhairing 'seal skins and other furs,' and was a failure for unhairing seal skins, the only kind which he specifically mentioned, and the kind which he had prominently in view. He equipped his rotating cutting blade with a carding brush, which he evidently considered an important feature of his machine, as he includes it in the general statement of the essentials of his invention; but the carding brush in operation defeated the utility of his machine. He provided his machine with a stationary card having a comb or set of teeth, the different functions of which he set forth fully in his specifications, but which was practically only useful as a pressure device, and as such no improvement upon the pressure guard of the Covert patent. The improvements upon his machine for which he obtained subsequent patents show that originally it was unnecessarily complex, and to an extent which seriously impaired its efficiency. Indeed, with the carding brush, it was not a more useful machine than Covert's.

Later he says:

"The machine seems to have had the same imperfections for which the machine of the Covert patent had been condemned."

In discussing this prior Covert Patent, Judge WALLACE says:

"I do not think the Covert patent has been accorded the consideration which it deserves. It has never been considered by the courts below, except incidentally by Judge TOWNSEND, in the Bowsky Case (C. C.) 113 Fed., 698, in considering the question whether the omission of the carding brush in the claim of the patent in suit rendered the claim one for a non-operative combination, and in the present case for the purpose of showing that the Lake Patent did not anticipate the patent in suit. The machines built under it by Covert were operative machines, probably about as efficient as was the original Sutton machine. Covert experimented in improving his machine, but he was a man of small means, the machines were expensive, and he became discouraged.

This opinion of Judge WALLACE was filed on April 9, 1902.

In the case of *Cimiotti Unhairing Co. vs. Nearseal Unhairing Co.*, 115 F. R., 507, Judge WALLACE, on April 9, 1902, filed a dissenting opinion, holding that the stationary card above the stretcher

bar of the 8th claim of the Sutton Patent was an essential element of that claim. In this contention Judge WALLACE is affirmed by the opinion of this Court, in the suit against the American Fur Refining Co. That the invention of the Sutton Patent was not of a high order, entitling it to a large range of equivalents, is shown in the decision of the Court of Appeals for the Second Circuit, in the case of *Cimiotti Co. vs. Derbohlaw*, 115 F. R., 510, in which the Court held that the defendant employed a rake or comb and not a rotary brush, and therefore did not infringe.

Moreover, this Court says:

"Due weight is given to the Sutton patent when it is given credit for dispensing with the plate which Covert had in addition to the brush, and which he supposed would carry down the fur away from the cutting mechanism, but which Sutton has accomplished in giving, in a measure at least, this added function to the brush of not only parting the fur, but carrying it down and away in preparation for the clipping by the knives. Any one who accomplishes the same purpose by substantially the same mechanism, using the elements claimed in Sutton's patent, may be held to be an infringer."

In regard to the commercial success of the Sutton invention this Court says (p. 408):

"Furthermore, it appears that while the Cimiottis acquired an exclusive license under the Sutton patent in 1888, the same was not put into commercial use until the introduction of coney skins as a substitute for seal skins, about the year 1890. During this time the Cimiottis were unhairing a large number of skins and preferred to continue to use the air-blast machine of their own invention while paying tribute to Sutton. It was the introduction of the coney industry in 1890 that gave stimulus to the use of such mechanism as those used by the Cimiottis and the respondent in this case."

Later on, this Court practically says (pp. 414, 415) that the defendant's machine was far more successful than that of Sutton, and that it was a distinct mechanical departure from Sutton, and just as much, if not a greater, advance over the Sutton machine, as Sutton's invention was over that of the prior art.

Mr. Walker seems to argue that this Court held that the defendant in the Cimiotti case did not infringe, on the ground simply that the two machines "can be differentiated."

This expression seems to have been used in the *Cimiotti* case by this Court merely as a statement as to what had been held in the case of *Kokomo vs. Kitselman*, *supra*.

Of course, this general expression of the Court must be interpreted by the facts in that particular case.

In the Cimiotti case there was not simply a mere difference in the two machines, but there was a vital and fundamental difference between the elements, the construction thereof, and the mode of operation, as set forth in Sutton's 8th claim, after giving it some range of equivalents, and the defendant's machine.

Mr. Walker has tried to minimize this difference, first by saying that it consisted only in the stretcher bar being carried to the knife and brush in defendant's machine, whereas the knife and brush were carried to the stretcher bar in the complainant's machine.

The fact is that the 8th claim was, in view of the state of the prior art, held to be of a very limited character, requiring, among other things, a fixed stretcher bar and a stationary card above the stretcher bar.

The defendant, in producing its machine, did not start from the Sutton patent, but from the prior art.

This Court, referring to the defendant's machine and one of the patents of the prior art, says (p. 410):

"It does appear, however, without contradiction in the record, that the machine now used by the respondents was made in a large measure from the drawings of the Lake patent."

After pointing out the elements and the operation of the defendant's machine, the Court says (p. 413):

"By this means the necessity of an independently acting mechanism for the feeding apparatus is avoided and the operation simplified.

"The Sutton device, as we have seen, has a stationary stretcher-bar; the respondents' mechanism has a movable stretcher-bar. The fixed stretcher-bar, about which the other mechanism acts, is made a distinct feature of the eighth claim. It is not present in the respondents' mechanism, unless it is true, as argued, that the one is substantially the equivalent of the other. It is said to make no difference whether the knife and brush are carried to the stretcher-

bar or the stretcher-bar is carried to the knife and brush. This might be true if the mechanisms were substantially the same, and there was a mere transposition or substitution of parts. Such changes would amount to an infringement. But in determining infringements we are entitled to look at the practical operation of the machines. The other elements of the eighth claim are to be used in connection with the apparatus shown in the Sutton Patent, substantially as described. If the device of the respondents shows a substantially different mode of operation, even though the result of the operation of the machine remains the same, infringement is avoided."

In pointing out the wide and distinct advance of the defendant's machine over that of Sutton, the Court says (p. 414):

"In the case under consideration the respondents have dispensed with the fixed stretcher bar and have adopted a movable one, operated by an entirely different mechanism, capable of accomplishing a much larger amount of work within a given time. In the Circuit Court of Appeals it was said to result in a double working capacity and product. It does not seem to us to be a mere transposition or substitution of parts; in the Sutton patent, the stretcher bar being stationary, there are several mechanisms used for operating the moveable brushes and the clipping knives; a different mechanism is used for operating the different parts which are to be brought to the fixed stretcher bar in carrying out the operation intended. In the respondent's machine the same application of power moves the stretcher bar, and, by the co-operation of the feeding apparatus, as above outlined, feeds the machine by bringing the pelt forward, at the same time actuating the knives, in practically one operation. This seems to us to be a distinct mechanical departure, as well as an advance upon the Sutton machine, when considered in view of the results accomplished,"

Aside from this, the Court finds that the stationary card above the stretcher-bar, mentioned in the 8th claim, is an essential feature of that claim, and that, as the defendant's machine lacks this element or its equivalent, it does not infringe. In holding that the compression bar was not the equivalent of the stationary card, the Court says (p. 416):

"But this bar has no carding feature to it and cannot be made to perform the functions of a card; it has no separate teeth, and is not a card or the mechanical equivalent of one shown and described and made a part of the eighth claim."

Finally the Court says (p. 416):

"We think the Circuit Court of Appeals was right in the conclusion that the mechanism of the respondent was so materially different from the Sutton patent as to avoid the infringement alleged; and that an essential element of the 8th claim of the Sutton patent was not used by the respondents."

To say that if "the defendant's machines can be *differentiated*, the charge of infringement is not sustained" (*supra*), is the mere expression of a truism. It is meaningless, unless its meaning is understood, and the meaning of the word "differentiated" in each case can only be learned by accurate knowledge of three elements in each separate case—viz., the prior art limiting the patent sued on, its history in the patent office, and the alleged infringing structure. These elements and their relations vary so greatly in different cases, that nothing more unsafe can be conceived in law than to apply general expressions of the kind referred to from one case to another, or cite them as propositions of settled abstract *law*, when they were dependent in the case in which expressed upon a special state of *facts*.

In the *Kokomo* case and in the recent case of *Computing Scale Co. vs. Automatic Scale Co.*, *supra*, under objection in the Patent Office, the patentees withdrew broad claims and urged a construction on the allowed claims that would cover the matter of the rejected claims.

There is no such element in the case at bar. Liddell's claims were allowed as originally filed, and without any objection in the Patent Office (R. Vol. 1, pp. 878-894).

The Kokomo Case.

In the *Kokomo* case, although the head note broadly states,

"Where the patents sued on are not pioneer patents and do not embody a primary invention, but are only improvements on the prior art, and defendants' machines can be differentiated, the charge of infringement cannot be maintained,"

it is clear that the Court does not intend to decide that mere differences or distinctions, whatever they may be, between the pat-

ents sued on and the defendants' machines, will relieve the defendant from infringement. For the Court, referring to the conclusions arrived at by the Circuit Court and the Circuit Court of Appeals, says (page 10):

"That if complainant's invention was not of a primary character, a substantial departure from the machines of the prior art, defendant's machine was *so sufficiently differentiated* that the claim of infringement could not be maintained." (Italics ours.)

Moreover, under objections of the Patent Office, the patentee withdrew the broad claim, but in the suit urged a construction of the allowed claims, which would cover the matter of the rejected claims. Considering this aspect of the case this Court said (page 14):

"Kitselman acquiesced in the rejection and withdrew his nineteenth original claim, and cannot now reasonably claim a construction which would protect his machine as a pioneer field machine."

This Court also said (page 18):

"In view of what passed in the Patent Office, and the state of the art, we cannot regard the Kitselman patent as a pioneer patent, but think its claims must be limited in their scope to the actual combination of essential parts as shown, and cannot be construed to cover other combinations of elements of different construction and arrangement."

Furthermore, in referring to the concurrence of the Circuit Court and Circuit Court of Appeals, this Court said (page 24):

"that, unless the patents sued on embodied a pioneer invention, the defendant's machine was *so differentiated* from either of the others that the charge of infringement could not be maintained." (Italics ours.)

In concluding, this Court said (page 24):

"For the reasons given in treating of the Kitselman patent we think that none of the complainants' patents embodied primary invention, and we concur with both the courts below that, this being so, the *differences in means and operation between defendant's machine and the others were such that there was no infringement.*" (Italics ours.)

In considering these expressions of opinion, the limitations of the Kitselman patent, in view of the prior art, should be kept in mind. On this subject the Court said (page 13):

"The diamond mesh fabric had been woven while the machine was in a standing position. The Middaugh and Wilcox patent made wire and picket fence in the field. Kitselman converted the stationary into a portable machine by setting it on end and mounting it on a truck; and he converted the portable machine, as he himself says, by disposing the parts 'in a horizontal instead of a vertical position,' and mounting 'the same on suitable bearings to provide a stationary machine for indoor use.' The mechanism and operation were the same. Whatever its merits, it was not in itself primary invention to mount a machine for making diamond mesh fencing on a truck, and using it in the field, as the old machine had been used to make wire and picket fences. The getting up and walking was not new, though the machine may have gone at a better gait and made a better fence."

The suit was originally brought on four patents, all of which were held non-infringed, in the Circuit Court. Three of them were also held non-infringed in the Circuit Court of Appeals, while one only (the Kitselman patent) was held infringed, with one member of that Court dissenting. Thus leaving judicial opinion in the Circuit Court and Circuit Court of Appeals evenly divided (two against two) as to infringement of the Kitselman patent. All four of the patents were held non-infringed by this Court. We submit that the facts in the *Kokomo* case differ essentially from those in our case, now before the Court, and that the expressions of the head note, and particularly the word "differentiated," must be interpreted in connection with the case to which they appertain, and are not the expression of a general principle of law, in which the words "*can be differentiated*" shall be construed to mean "differ in any respect."

The Computing Scale Case.

In the recent case of *Computing Scale Co. vs. Automatic Scale Co., supra,* this Court held that the patent there in suit was not entitled to any considerable range of equivalents, but was limited to the means shown, as the invention was of

a narrow character. Refering to the patent, the Court said (p. 615):

"An examination of the record discloses that computing scales have been the subject of prior inventions and were well known at the time of Hayden's application. It is true that the scales disclosed in the prior art were generally those having a horizontal axis, case and cylinder, although it was not new to arrange a scale vertically."

In concluding its discussion of the prior art, the Court said (p. 617):

"Without resort to the record in the Patent Office, we think it is plain that the invention is but a small advance upon others already in use.

"Broadly considered, the elements of Hayden's invention were in the horizontal machines, and the idea of vertical construction was old. Considering this invention in the light of what occurred in the Patent Office in connection with the other considerations already referred to, and the state of the art at the time, we think Hayden's invention can only be sustained to a limited extent."

The Court then proceeds to point out how the patentee struck out a broad claim and substituted a narrow claim, in order to obtain a patent, and how he is attempting in the suit, to construe a limited allowed claim to cover that which had been rejected, with his acquiescence, in the Patent Office.

The opinion says (p. 621):

"In view of the action of the Patent Office in this case and the acquiescence of the applicant, considered also in view of the state of the art, in our opinion it is necessary to have this novel element of the invention read into them in order to save the claims of Hayden's patent.

"Conceding that this spiral rod and its connections with the cylinder in the manner and for the purposes stated is a novel feature in the combination and entitled to protection, it is of that narrow character of invention which does not entitle the patentee to any considerable range of equivalents, but must be practically limited to the means shown by the inventor."

The sum and substance of Mr. Walker's interpretations of the decisions of this Court seems to be the claim that this Court has announced the doctrine that unless a patent embodies an invention

which is "pioneer" or "primary" in the broadest sense, it must be limited to practically the identical means and mode of operation shown and described in the patent. The corollary being that unless defendant is using those identical means and that identical mode of operation, it will not infringe.

No such interpretation can be properly placed upon the recent decisions of this Court, above referred to, without practically reversing many of its prior decisions where the Court has held that, even though the invention of a complainant's patent was not of a pioneer or primary character, and notwithstanding defendant's means and mode of operation were different and even patented, yet there was infringement.

Mason vs. Graham, 90 U. S., 261.
Ives vs. Hamilton, 92 U. S., 426.
Union Paper Bag Machine Co. vs. Murphy, 97 U. S., 120.
Elizabeth vs. Paving Co., 97 U. S., 137.
Clough vs. Barker, 106 U. S., 166, 167.
Western Electric Co. vs. LaRue, 139 U. S., 601, 606.
Hoyt vs. Horne, 145 U. S., 302.

As the case of *Union Paper Bag Machine Co. vs. Murphy, supra*, is closely in point, we select it from the above references for consideration in some detail.

The patent was for an improvement in machinery for making paper bags from a roll of paper in a flat sheet. The invention consisted in providing the machine with a weighted knife having five planes or faces, the descent of which, by gravity, on the flat sheet of paper, made a transverse cut across the sheet, in such a way as to form a blank that folded into a paper bag without further cutting. The patent was not in that class which this Court has designated as embodying "pioneer" or "primary" inventions. The Court said (CLIFFORD, J.):

"Machines for making paper bags are old, as both sides admit, and the evidence in this case shows that they have been constructed by many persons and in various forms for more than twenty years, and with more or less utility. Neither party in this case claims to be the original and first inventor of an entire machine of the kind; nor could such a claim, if made, be sustained, in view of the admitted state of the art."

In the defendant's machine, which was also patented, the knife, which was provided with a serrated edge, instead of descending and ascending, as in the construction of the patent in that suit, was fixed or attached to the bed of the machine, which was provided with a descending striker, which, in combination with other devices, was thrown sharply down, so that it made a vertical blow upon the paper, causing the knife to cut substantially the same shaped blank as that formed by the construction of the patent.

In reversing the Court below and holding that the defendant infringed, this Court said:

"Except where the form is of the essence of the invention, it has but little weight in the decision of such an issue, the correct rule being that, in determining the question of infringement, the court or jury, as the case may be, are not to judge about similarities or differences by the names of things, but are to look at the machines or their several devices or elements in the light of what they do, or what office or function they perform, and how they perform it, and to find that one thing is substantially the same as another, if it performs substantially the same function in substantially the same way to obtain the same result. * * *

"Nor is it safe to give much heed to the fact that the corresponding device in two machines organized to accomplish the same result is different in shape or form, the one from the other, as it is necessary in every such investigation to look at the mode of operation or the way the device works, and at the result, as well as at the means by which the result is attained.

"Inquiries of this kind are often attended with difficulty; but if special attention is given to such portions of a given device as really does the work, so as not to give undue importance to other parts of the same which are only used as a convenient mode of constructing the entire device, the difficulty attending investigation will be greatly diminished, if not entirely overcome. *Cahoon v. Ring*, 1 Cliff., 620.

"Authorities concur that the substantial equivalent of a thing, in the sense of the Patent Law, is the same as the thing itself; so that if two devices do the same work in substantially the same way, and accomplish substantially the same result, they are the same, even though they differ in name, form or shape. Curt. Pat., 4th ed., Sec. 310.

"Apply that principle to the case before the court, and it is clear that the knife in the respondents' machine, when considered in connection with the striker, is substantially the same thing as the cutter in the machine of the complainants when put in operation by the means employed to raise it and let it fall to perform the cutting function, without which the machine would be of no value."

The analogy between the case just quoted, and the case at bar, is striking. Both relate to paper-bag machines, which were not the first in the art to make bags of the kind produced. In both, the patents cover one step or feature embodied in the machine. In both there is a variance and reversal of mechanism, by defendant, and covered by a patent, from that shown in the patent sued on. Yet this Court readily found infringement in the case cited.

(6) The Opinions of the lower Courts on Infringement.

Judge Putnam, in those portions of his opinion where he considers the scope of the Liddell Patent and its claims, in view of the prior art, and where he considers the question of infringement and finds that petitioner's machine infringes, uses broad expressions in some instances. It is evident that he was impressed with the Liddell *invention* as a broad one; with the *patent* as the first patent even suggesting the combination of rotating cylinder and oscillating forming plate to make the diamond fold of a S. O. S. bag (showing also a form of operative mechanism to practically carry out this inventive suggestion); and with the *claims* in suit as broadly and properly phrased to cover the inventive idea, without emasculating limitation to details of "mere mechanism."

Petitioner's counsel very unfairly, as we believe, takes brief sentences or phrases from the opinion of Judge Putnam, separating them from the surrounding discussion and explanatory matter, and makes such garbled propositions a basis of argument on infringement. When the sentences are read in their proper connection, their meaning, as bearing on this case, is properly understood. Exceptions based on their mere wording, apart from their connected sense, carry no force and should receive no attention. No one can imagine that Judge Putnam intended to decide that the specification should not be examined, in connection with the claims, to see what "operating means" were shown in the patent. But what he did decide was that, in view of the breadth of the invention, recourse should not be had to the specification to find therein the "operating means" shown, in order to use

them as the necessary, sole and limiting "operating means" to which the claims should be restricted. Referring to an exception in the Court of Appeals on which the petitioners seem particularly to harp, this reads as follows: "*Sixth. The Court erred in holding that 'the identity of functions as between the two mechanisms'* (of the petitioner's machine, and of the Liddell Patent) *'is the entire substance on this question of infringement.'*" Petitioner's counsel uses this sentence apart from its context as if Judge PUTNAM had laid down the broad proposition that "identity of function" constituted "infringement," and had decided in this case that there was "infringement," because there was "identity of function" merely, as between respondent's patented machine and petitioner's machine. But no such proposition was decided, and the finding of the infringement is, of course, not based thereon, but on the proposition of a broad inventive combination of cylinder with forming-plate, not limited to the specific means shown for carrying out their necessary operative relations in making S. O. S. bags. We quote the portion of opinion above referred to in full (R., Vol. 2, p. 1899), giving Judge PUTNAM's final revised wording.

"*The respondent* (*defendant*) *states that 'the functions of the defendant's machine and the mechanism of the Liddell patent are identically the same': although it adds the further proposition that 'the mode of operation of these two mechanisms are both theoretically and practically different.' This further proposition is evidently based on the error to which we have referred, namely, that the various details of the mechanism pointed out in the specifications are essential parts of the invention and the claims. The truth is, as we have shown, that the identity of function as between the two mechanisms is the entire substance on this question of infringement, because Liddell's invention is only the application of certain laws of mechanical forces, as explained by what we have cited, to the effect that, while the tubular blank is advancing, its upper fold must be elevated and turned back on the body of the blank; and no mere mode of operation is involved in Liddell's invention beyond the single matter of oscillating the forming plate about its rear edge.*"

We quote in this connection pertinent extracts from Judge PUTNAM's opinion on the question of infringement. He says (R., Vol. 2, pp. 1900, 1901):

" The respondent sums up what it says on the question of infringement in five propositions. The first and second represent the respondent's view of the relation of the Liddell Patent to the art in view of the preceding nineteen patents, a topic which we have already disposed of. The third maintains that the " Particular mechanism " claimed to infringe the patent in suit is both analytically and synthetically so different from the mechanism of the Liddell patent that it cannot be held to infringe any claim of that patent. We have already shown that, so far as the real novelty of the claims in suit are concerned, we have nothing to do with the particular mechanism, so that this third proposition will be found not to apply. The fourth and fifth are only minor propositions which we do not find it necessary to consider. In opening up the topic of infringement, the respondent divides the claims in suit into the first, second and third divisions. Subsequently it refers to four divisions, of the respondent in this relation. The rotating cylinder, provided with the side-forming fingers and the lower-forward fingers, constitute the first division. The respondent also states that two of the Liddell claims specify " means to move the bag-table with the cylinder." It, however, properly lays this aside upon the ground that it would be implied whether it is specifically stated or not. According to the respondent, the " forming-plate provided with side-forming fingers " constitutes the second division. It also adds that claims one and seven fail to expressly call for the upper-forward fingers, although claim 2 does so ; but that finger is called for by implication. Then it proceeds as follows :

" ' The third division of the claimed mechanism is specified in each of the last three claims ", meaning claims 1, 2 and 7, " as means for operating the side-forming fingers and the side-forming fingers at definite times ; and the specifications and drawings indicate that those means consist in certain cams, arms, springs and rods, which are shown in Fig. 2 of the drawing of the patent."

* * * * * * * *

" However all this may be, it is plain, in the light of the views we have already emphatically expressed, that we need not concern ourselves further about the third division, which clearly on its face relates to mere mechanical details in no way involved in the inventions covered by Claims 1, 2 and 7."

" Then comes what might be called the fourth division. Here the respondent says that what we have already considered as enumerated in the first, second and third division of the respondent's analysis of the claims in suit, does not extend to mechanism for causing the forming-plate to oscillate with the rotation of the cylinder. The respondent then particularly recites the words " operating means for the forming-plate, adapted to cause the said plate to oscillate about its rear edge ", etc.

" As to the first division, the respondent says that its machine does not include any cylinder, although it does include one or more pairs of side-folding fingers and a forward finger, or clip. This, therefore, relates only to the cylinder which we will hereafter consider. As to

the second division, it says that the forming-plate of the Liddell patent is provided with a pivot at the right hand edge thereof, has an upper forward finger fastened thereto at the right hand edge, and one of its forming fingers in its place under the forming-plate. The respondent proceeds that the difference in construction and mode of operation between its fingers and Liddell's are considerable, but that the respondent passes over that subject to explain what it alleges to be a far more important difference between its plate and the Liddell plate growing out of the fact that the respondent's plate oscillates on a pivot midway between its two edges, instead of on a pivot at its forward edge, as in the Liddell patent. If there are any such differences whatever with references to the forming-plate and its method of operation, they are obviously of the same mechanical character which we have already described, of no importance in this case, because the claims in issue require only that the forming-plate shall oscillate about its rear edge on the surface of the cylinder. As we have said, the application of the mechanical laws by virtue of which a forming-plate, oscillating about its rear edge, so that necessarily, as the cylinder advances, the plate turns the ends of the paper-bag blank back upon its body, form the essence of this element in the claims; and neither the invention nor claim involves any particular method or mechanism by which the oscillating about the rear edge is accomplished." * * * (R., Vol. 2, pp. 1901, 1902).

"*The respondent then turns to what it styles its synthetical comparison of the mechanism in question; and it thereupon maintains that the two mechanisms in question as a whole are so unlike each other, that it is impossible to conceive how the complainant could maintain that the respondent had infringed. This, however, seems to us nothing more than to maintain that the various differences to which we have referred, create a total lack of similarity. Therefore, it can have no relation except to differences none of which are essential; yet, what is negative cannot be made to count by any process of addition or grouping.*

"*We now have remaining on this part of the case only the matter of the cylinder. The proposition is that the Claussen patent shows only a "rotating conveyor" with two oscillating carriers pivoted thereon. There is no question that the complainant does not have the oscillating carriers, and it may be that in this respect the respondent's machine is an improvement on the complainant's; but the oscillating carriers only supplement the oscillating forming-plate without removing from the plate the peculiarity of oscillating on its rear edge claimed by Liddell, the respondent relies on the distinction, over and over again referred to by it, that, instead of a cylinder it has a rotating conveyor; or to put it otherwise instead of having the cylinder of the Liddell patent the respondent's machine has an irregular and peculiarly shaped conveying frame. This irregularity, we may say in a general way, consists in depressions made for the reception and locating of the oscillating carriers. The respondent maintains that*

the conveyor and carrier do not constitute a cylinder, because it says that a cylinder is defined as a solid whose curved bounding surface is generated by the motion of a straight line etc., citing what is the usual definition. This appears to be an extraordinary refinement of language; and, in view of the fact that the claims of the Claussen patent over and over again describe the conveyer, not as a rotating conveyer, but as "a cylinder provided with a mutilation," and over and over again speak of the carrier as "pivotedly mounted on the cylinder," how can the respondent claim that the word cylinder in the complainant's patent is to be construed more rigidly than the same word in the respondent's patent? It does not escape from the complainant by merely using the expression "rotating conveyer," because clearly an ellipse, rotated for the purpose and in the manner pointed out in the patent in suit with reference to the cylinder would be a rotating conveyer; and common sense would reject the proposition that an ellipse arranged to rotate as the complainant's cylinder rotates, and as undoubtedly could be arranged, would not be a clear imitation and infringement under color of the complainant's invention." * * * (R., Vol. 2, pp. 1902–1903).

"Indeed, in mathematics the word cylinder is often used so loosely that in order to point out a 'right cylinder' such as is described by the respondent, it is sometimes advisable to connect with it the word 'circular,' styling it a circular cylinder. Chauvenet's Elementary Geometry, 239. This is true to such an extent that the Standard Dictionary correctly defines one use of the word cylinder as follows: 'Any cylindrical portion of a machine, especially if hollow, proportioned so as that the length of it exceeds the diameter.' Then it follows with illustrations giving some samples in which very little of the true circular form is left. Looking at the respondent's proposition in this particular, either from the point of similitude in connection with any use of the word cylinder except the strict mathematical sense which the respondent relies on, or from the point of equivalency in view of the fact that the essence of the complainant's invention and claims is the useful combination with a surface which is endless through revolution, it is impossible to maintain the respondent's position without flying directly into the face of Winans v. Denmead, 15 How., 530, shown by the Circuit Court of Appeals for this Circuit in Reece Company v. Globe Company, 61 Fed. Rep., 958, 964, to have always been recognized as law. Therefore, as to every essential portion of the defense of infringement, we must hold that the case is with the complainant" (R., Vol. 2, pp. 1903–04).

In holding that the defendant has infringed, the Court of Appeals says (R., Vol. 2, p. 1927):

"The defendant's machine is within the letter of the claims of the patent. These are broadly drawn. The only clause with which we need concern ourselves is that which claims 'operating means for

the forming-plate adapted to cause the said plate to oscillate about its rear edge upon the surface of the cylinder.' The nature of the means is not specified. There is no express reference to the specifications, and in them the patentee twice makes it clear that he does not intend to confine his invention to the particular means described. Thus he says, 'In place of these devices for controlling the movement of the plate E relatively to the cylinder C, the said plate may be moved or operated by any other suitable means', and 'It is evident that the mere mechanism for securing the several movements to the different parts may be modified or changed in various ways without departing from the spirit of the invention, and I do not, therefore, confine myself to the details of construction here shown.' This breadth of claims would imperil the patent were the real invention less broad, but the defendant has not pointed out, and we have been unable to find, any operative combination of a rotary cylinder and a forming-plate oscillating thereon, earlier than the patent in suit. If, therefore, the patent is valid, it has a wide scope, and the mechanical arrangement used by the defendant is fairly within its terms.

As we find the claims in suit to be valid and to have been infringed by the defendant, the complainant is entitled to an injunction, and the decree of the Circuit Court must be affirmed.

Judge ALDRICH, in his dissenting opinion, agrees with the majority of the Court in "*the conclusion that the patent in suit was infringed.*"

The Hunter Defence.

As this so-called "Hunter Defence" is not specifically covered by any assignment of error, and as counsel for complainant-respondent have been informed in writing by counsel for petitioner-defendant that it will not be argued or urged in this court, it can be dismissed with mere mention, although it involved hundreds of pages of testimony and of briefs in the Circuit Court and Court of Appeals.

This defense was based on allegations that the mechanism shown in Liddell's patent for moving the forming-plate was not invented by Liddell but by Mr. Hunter, and by him fraudulently inserted in the specifications and drawings after signature and before filing. It was overruled by both the Circuit Court and the Circuit Court of Appeals.

The Circuit Court of Appeals, in disposing of this defence, said (Vol. II., p. 1926):

"*The defendant alleges that the invention of the patent in suit, whatever that invention may be, was not made by the patentee Liddell, but by Hunter, his patent solicitor. He contends that from between the formal blanks which had been signed by Liddell, Hunter withdrew the specifications which had been made part of the application at the time of its signature, and that afterwards, before filing the application in the Patent Office, Hunter inserted other specifications without Liddell's knowledge. We do not feel ourselves required to review the evidence adduced to support this theory; it is sufficient to establish that the serious crime alleged was committed by Hunter.*"

Conclusion.

It is submitted upon the record in this case, and upon the considerations above set forth, that the Liddell patent in suit is a valid patent; that the invention thereof is a broad and meritorious one, capable of practical operation; that the claims in suit of the Liddell patent are sustainable and broad in their scope; that the petitioner's machines infringe upon Liddell's invention as covered by the said claims; that the record does not disclose any "unreasonable" or "wrongful" non-use of the invention of the patent in suit, but simply no commercial use; that such non-use does not deprive the Court of its equity jurisdiction to grant an injunction restraining the petitioner's infringement; that to refuse to entertain such jurisdiction, on the record in this case, would be contrary to the letter and spirit of the Constitution, as well as a violation of the patent statutes and the contract between the public and the patentee.

That, therefore, the decree of the Court below should be affirmed.

April, 1908.

Respectfully submitted,

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FILED.
FEB 28 1907
JAMES H. McKENNEY,
CLERK.

Supreme Court of the United States.

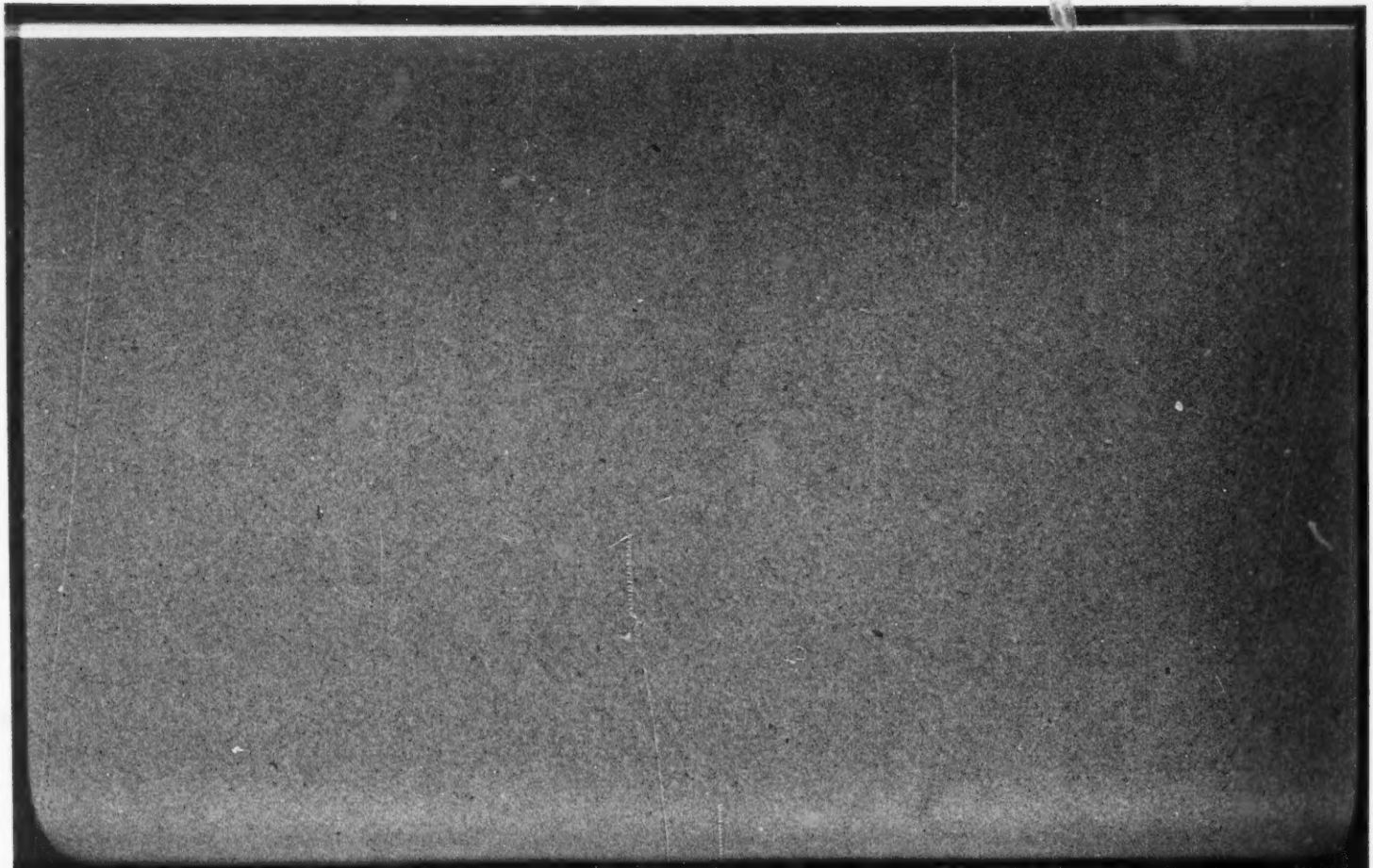
CONTINENTAL PAPER BAG COMPANY,
Petitioner,
vs.
EASTERN PAPER BAG COMPANY,
Respondent.

No. 202,
October Term, 1906.

Brief for Respondent in Opposition to Petition for Writ of Certiorari.

SAMUEL R. BETTS,
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In the Supreme Court of the United States.

CONTINENTAL PAPER BAG COMPANY, Petitioner, vs. EASTERN PAPER BAG COMPANY, Respondent.	No. 568. October Term, A. D. 1906.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

Statement.

This is an application for a writ of *certiorari* to bring before this Court, for its review and determination, the decision of the United States Circuit Court of Appeals for the First Circuit affirming an interlocutory decree, holding Letters Patent of the United States No. 558,969, granted to William Liddell April 28, 1896, for Improvements in paper bag machines, valid, and infringed by the defendant, granting an injunction restraining such infringement, and an accounting of damages and profits (R., Vol. 7, p. 2611).

The Record shows that the Eastern Paper Bag Company, respondent-complainant, is owned and controlled by the Union Bag & Paper Company, while the Continental Paper Bag Company, petitioner-defendant, is owned and controlled by the International Paper Company (Vol. 4, p. 421), and there has been no use of the infringing machine except by the petitioner. There is, therefore, merely a patent contest between two large corporations, in which

the petitioner has been worsted in the Circuit Court and on appeal, and now seeks to further delay injunction and accounting (both of which were suspended by the Circuit Court, and still are suspended) by obtaining a hearing in this Court, with the delay and expense necessarily incident thereto, while petitioner still continues the use unenjoined during such hearing.

The petition is based upon two alleged errors :

1. That notwithstanding the fact that the patent in suit is valid, the invention thereof operative and practical, and that it has been infringed by the defendant, the Court had no jurisdiction to direct the granting of an injunction restraining such infringement, because the infringement is alleged by petitioner to be of

" a paper patent, the invention covered by which has long and always and unreasonably been held in non-use, by all the owners of the patent, instead of being made beneficial to the art to which it belongs " (Petition, p. 3, Sec. 6).

2. That the decision of the Circuit Court of Appeals sought to be reviewed is inconsistent with a number of decisions of this Court, holding that—

" where the patent sued on is not a pioneer patent and does not embody a primary invention, but only an improvement on the prior art, and defendant's machine can be differentiated, the charge of infringement cannot be maintained " (Petition, p. 4).

The respondent's positions on these questions may be stated as follows :

This is not such a case as the Court will review by the writ of *certiorari.*

There is no evidence in the record that the patent in suit is a mere paper patent, or that it has been held in unreasonable or wrongful non-use.

There is no evidence in the record that any portion of the public has been injured, or deprived of anything to which it was entitled, by reason of any non-use of any character.

That in view of the absence of evidence in respect to the second and third questions of fact above stated, there is no basis, on the record in the present case, for the contention that the Court below should have withheld the injunction, or for the determination by this Court of any principle of law, based on such questions of fact.

That if the record before the Court contains any basis for the finding of the Court of Appeals in respect to non-use, that finding is not of "unreasonable" or wrongful non-use of a "paper patent," but of mere commercial or naked non-use of an invention, the practical utility of which has been demonstrated, and that the record exhibits sufficient reasons for such non-use, and establishes that it was neither unreasonable nor wrongful.

That if this Court has not directly passed upon the question of withholding an injunction restraining the infringement of a valid patent, on the ground of mere non-use, or unreasonable or wrongful non-use, it has announced the principles of law and equity upon which such question must be determined.

That the Circuit Courts of Appeal which have had occasion to pass upon the question, have applied those principles and held that non-use of a valid patent, as such and by itself, is immaterial, and no ground for withholding an injunction restraining its infringement, so that there is no diversity of opinion on this question.

That the decision of the Circuit Court of Appeals on the question involved in the second assignment of alleged error is not inconsistent with the decisions of this Court, inasmuch as the Circuit Court and Circuit Court of Appeals have held, as matter of fact, that the petitioner's machine could not be differentiated from the invention of the patent in suit, which was of a broad and pioneer character.

That the subdivisions of the petitioner's brief relating to the "Hunter defense" and the "Claussen defense" have no foundation in the petition, and involve mere questions of fact, already determined.

I.

Cases Reviewable by Writ of Certiorari.

The power to review decisions by *certiorari* is a branch of the jurisdiction of this Court

"which should be exercised sparingly and with great caution, and only in cases of peculiar gravity and general importance, or in order to secure uniformity of decision."

This power will not be exercised

"to review a decision of the Circuit Court of Appeals on an appeal from an interlocutory order, unless it is necessary to prevent extraordinary inconvenience and embarrassment in the conduct of the case."

If a Court of Appeals is unable to properly decide a case, owing to the importance of the questions involved and the absence of authority, it has power to certify the question to this Court for instruction as to what its proper decision should be.

American Const. Co. vs. Jacksonville Ry. Co., 148 U. S., 377, 383.

The decree which was affirmed by the Court of Appeals in the present case was an interlocutory one, and it is not urged, nor are there any facts in the case on which to contend, that "extraordinary inconvenience and embarrassment in the conduct of the case" will result pending the entry of a final decree. On the contrary the petitioner asserts in his brief that the question is now academic, for the petitioner has so modified its machines that it does not now infringe. We quote:

"Quite otherwise than this, the prophesy is here set down, that such a writ of injunction would not have the slightest effect upon the defendant's doings, because the defendant would not be found making, using or selling, or proposing to make, use or sell, any such machinery as that, upon the using of which the interlocutory decree of December 28, 1904, was based" (Brief, p. 26).

It is not alleged in the petition that there is a difference of decision between the Circuit Court and the Circuit Court of Appeals in the case at bar, or that there is any variance in the decisions of the different Circuit Courts of Appeals on the question involved in the first assignment of error, or that any of the decisions of the Circuit Courts of Appeals vary from those of this Court, so that it is not necessary to entertain this petition in order to secure uniformity of decision. That already exists.

The sole basis of the application for the writ on the first ground stated, rests upon the allegation that this Court has never decided the identical question stated. But it is not alleged in the petition that this case involves questions "of peculiar gravity and general importance."

If the Court of Appeals considered that it had such questions before it, and had no authority, or insufficient authority on which to decide them, that court would certainly have asked the instruction of this Court.

II.

No Record of Unreasonable or Wrongful Non-Use.

There is no record evidence before the Court that the complainant has never put the patent in suit to any use, or that it has *unreasonably* held it in non-use, or has deliberately held it in non-use for a wrongful purpose.

But on the oral hearing in both Circuit Court and Court of Appeals, respondent's counsel stated that the only machine made by respondent under the patent was the full-size operative one then in court as an exhibit.

It was on this basis and nothing more that his Honor, Judge PUTNAM, at Circuit, stated that no machine for practical manufacturing purpose had been constructed under the patent in suit

(142 F. R., 457), but he found that the weight of authority required the grant of the injunction.

Judges COLT and LOWELL, of the Circuit Court of Appeals, found "the machine of the patent in suit is mechanically operative, as was shown experimentally for the purposes of this suit, but it has not been put into commercial use" (Vol. 8).

This was merely a "non-user" on the part of complainant, and based only and necessarily on statements of complainant's counsel on the oral argument in the Court of Appeals, because the evidence did not say even this. Judges COLT and LOWELL also say that:

"No reason for the non-user appears in the evidence, so far as we can discover" (Vol. 8).

This is a finding that there is nothing in the record to show the character of the non-use, and clearly that the case before them was of mere non-use, and distinctly that nothing was shown of unreasonable or wrongful non-use.

They also found that, under the weight of authority, complainant was entitled to the grant of the injunction under such circumstances.

In other words, the Circuit Court of Appeals held that there had been merely no commercial use of the invention of the patent in suit, and that neither this court, nor any Circuit Court of Appeals, had held that this was sufficient ground for a court of equity to deny an injunction restraining the infringement of a valid patent. On the contrary, the Courts of Appeals which had considered the question, had all held that mere non-use was immaterial on the question of injunction.

This is also the view held by Judge ALDRICH, for in his dissenting opinion he says:

"Standing alone, non-use is no efficient reason for withholding an injunction" (Vol. 8).

He thus agrees with the opinion of the majority of the Court of Appeals. But making in his own words a statement of fact on which to discuss a question of law, he says that the infringement was of a "paper patent deliberately held in non-use for

a wrongful purpose," and that such wrongful use was the forcing of another patent or machine into the paper bag industry and holding in deliberate non-use a competing invention "by way of protection."

These expressions of the opinion are not based on any proofs in the Record, and the questions thus stated were not argued in either the Circuit Court or the Court of Appeals by the petitioner, or even covered in petitioner's brief, and the majority of the Court of Appeals has failed to find any such facts as are embodied in Judge ALDRICH'S statements above quoted. He thus stands alone and overruled on the very facts on which he bases his whole argument and opinion.

Being aware that there was no foundation in the record for the wording used by Judge ALDRICH as to the character of the alleged non-user, and being confronted with the finding of all the judges of the Court of Appeals that mere non-use was not sufficient ground for withholding the injunction, the learned counsel for the petitioner puts his proposition before this Court as that of "*unreasonable*" non-use, the word "unreasonable" being carefully and newly coined to avoid the Scylla of mere "non-use," and the Charybdis of Judge ALDRICH'S "paper patent deliberately held in non-use for a wrongful purpose."

There is no doubt that when a patentee has established the validity of his patent, and it has been infringed, he is entitled, under the patent acts and the weight of authority, to an injunction restraining that infringement, unless the defendant pleads and proves facts which create an equity in favor of the defendant, upon which the Chancellor, in the reasonable exercise of his discretion, may withhold the injunction.

In the case at bar, the petitioner neither pleaded nor proved any such state of facts. It neither pleaded nor proved an *unreasonable*, wrongful or vicious non-use of the patent in suit. Although it pleaded mere non-use, it took no evidence thereof in the record. There is no evidence in the record of any unreasonable or wrongful use of the patent in suit by either the patentee, or his assignee, or the re-

spondent. The petitioner's brief in support of the present application, the decision of the Circuit Court and the decision of the Circuit Court of Appeals wholly fail to quote any evidence in support of the alleged fact of unreasonable or wrongful non-use, or any reference to the record where such evidence may be found.

In the case of *Packard vs. Lacing-Stud Co.* (U. S. C. C. App., 1st Circuit), 70 F. R., 66, the opinion being by his Honor Judge PUTNAM, the appellant contended that the patent in suit was a "paper patent" and was of no use or benefit to the public, but simply purchased for the purpose of being put away until it could be used to crush some rival. In considering this proposition and overruling it, the Court said:

"We do not find in the record the proofs to sustain this claim and therefore we do not discuss it."

The case at bar, upon the evidence, is substantially the same as the Lacing-stud case, as there are no proofs upon the issue of non-use reasonable or unreasonable, and there are no proofs that the respondent locked up the invention of the Liddell Patent, or that it was a mere paper patent. On the contrary, the evidence and the findings of both the Circuit Court and the Circuit Court of Appeals establishes that the patent in suit is not a "paper patent," but that it is commercially operative.

Moreover, the Circuit Court of Appeals held that the contention that an unused patent is not entitled to the protection of an injunction was simply "suggested at the oral argument," and that "this contention was not made in the defendant's printed brief."

All that Judge ALDRICH refers to in the petitioner's brief in the Circuit Court of Appeals, as to the non-use, is as follows (quoted from Mr. Walker's brief):

"No machine was ever built under the Liddell patent prior to the beginning of this suit; and no machine claimed to be an infringement of the Liddell patent has ever yet been built by anybody, except that the defendant's self-opening square paper bag machines were claimed in this suit to be such an infringement. When Mr. Stone gave his theoretical expert testimony upon the characteristics of the Liddell patent in January, 1903, no machine had ever existed anywhere which conformed to the mechanism de-

scribed and delineated in that patent. That patent at that time was nearly seven years old, but it still remained what it had always been, a paper proposition, and nothing more" (Opinion of ALDRICH, Vol. 8).

And this is the identical reference to this subject made in the brief of counsel for petitioner in the U. S. Circuit Court before Judge PUTNAM.

No reference is made to any evidence to support the alleged facts of this statement, and nothing more than a "suggestion" is made in the brief in the Court of Appeals that upon such a state of facts the injunction should be withheld. That there was no intent to raise the question as a serious one, or to lay a foundation of fact on which to contend that mere non-use, or unreasonable or wrongful non-use, was a ground for withholding an injunction, is clear from the fact that petitioner's record of testimony covers about nine hundred printed pages and in all of this testimony, the petitioner did not attempt to lay a foundation of fact for its present contention.

Moreover, in its brief at final hearing, it did not urge that the injunction should be withheld on the ground of the alleged "unreasonable" or wrongful non-use. The contention urged was that it was inequitable to suppress an infringing business which was active, at the request of one who never put the invention of the patent infringed into commercial use.

Furthermore, after the decision at circuit, the petitioner applied to the Court for a rehearing, assigning in his petition twenty-six errors, not one of which specifically involved the question of withholding the injunction on the ground of either mere non-use or unreasonable non-use (R., Vol. 7, p. 2605).

Again, of the thirty reasons given in the petitioner's assignment of errors, why the Circuit Court of Appeals should reverse the lower court, not one specifically covered the present question (R., Vol. 7, p. 2613).

Finally, as previously pointed out, and found by the Circuit Court of Appeals, the question was not raised by the petitioner in that Court, except on the oral argument, and of mere "non-use."

The petitioner, not having offered proof of mere non-use, or of unreasonable, wrongful or vicious non-use, it was not incumbent upon the respondent to offer any evidence as to whether or not the patent in suit had or had not been used commercially, or in any manner. Even assuming that there is a record, by statements of counsel on the argument, of mere non-use, the respondent was not obliged, under the patent acts, or the authorities, to offer in evidence reasons or explanations for such non-use, and could not then do so. It certainly was not called upon to explain an unreasonable, wrongful or vicious non-use, when no such contention was anywhere made in petitioner's proofs, briefs or arguments.

If this Court should consider the question as to whether or not an injunction should be granted restraining the infringement of a valid patent, when the patent has been held in unreasonable or wrongful non-use, as one on which this Court has not yet directly passed, and of such "peculiar gravity and general importance," that it should pass directly upon the same, when opportunity offered, there is no evidence in the present Record which presents that question, which is indeed a question necessarily involving facts proved, and not a mere question of law.

However, if the respondent is concluded by the finding of the Circuit Court of Appeals, the finding as expressed by the majority of that Court which governs, is not that the patent in suit is a "paper patent long and always and unreasonably held in non-use," as contended by the respondent, or "held in non-use for a wrongful purpose," as urged by Judge ALDRICH, but the finding is simply that of "non-use" in the sense of "no commercial use," which even Judge ALDRICH or the petitioner do not contend furnishes sufficient ground for withholding the injunction, and upon which point in law there is no diversity of opinion in the Circuit Court of Appeals.

Moreover, if this Court is of the opinion that it is incumbent upon a patentee to make some commercial use of a valid patent or explain its non-use, before equity will enjoin its infringement, then the record before the Court contains evidence introduced by the

petitioner-defendant, for another purpose, which the Circuit Court and the Circuit Court of Appeals overlooked, and which, as we shall point out, not only presents sufficient reason or explanation for mere non-use, but establishes the fact that the alleged non-use, was neither unreasonable nor wrongful.

III.

The proofs fail to establish any injury to any portion of the public. Indeed such injury could not exist through mere non-use of the patent in suit.

There is no evidence in the record to show that any portion of the public has been deprived of any rights, or of anything to which it is entitled, or that it has suffered injury in any manner. On the contrary, and even if there has been no commercial use of the invention of the patent, the petitioner's own evidence establishes that the public and the petitioner could have made substantially the same product of "Self-Opening Square" (S. O. S.) paper bags as are produced by the machine of the Liddell Patent, and for a number of years past could have made those bags by machines, which are free to be used by the petitioner and the public generally.

Judge PUTNAM in his directions to the Master says (142 F. R., 519):

"there is no suggestion that the product commands a better price than the product of other machines producing paper bags of the same class."

And again:

"Our opinion passed down October 9, 1905 (142 Fed., 479), states in effect that the inventions in suit relate to what is known in the art as self-opening square bags or Deering bags, and that the claims in issue deal only with making the 'diamond fold'; so that the product, as we have said, is not peculiar."

This product, or the "self-opening square" bag, is unpatented, and free to be made by any one, the Deering Patent for this form of bag having expired in May, 1887 (Lorenz, Qs. 45-48, R., Vol. 4, p. 148). At the present time patent protection is had only in connection with certain of the machines which make this form of bag.

About ten thousand million self-opening square bags were made under the Lorenz and Honiss Patent No. 331,722, dated December 1, 1885, and No. 361,961, dated April 26, 1887, in the 15 years prior to 1903 (Lorenz, Qs. 19, 20, R., Vol. 4, p. 142). The machine of the Stilwell Patents No. 407,794, of July 30, 1899, and No. 417,346, of December 17, 1899, also, produce a self-opening square bag like those of the Liddell Patent in suit, and those of the petitioner's machine (Lorenz, Qs. 43, 49, R., Vol. 4, pp. 148–150), and the petitioner has contended throughout that these other machines are better than the machine of the Liddell Patent in suit, and produce an excellent bag.

The most prominent manufacturer of self-opening square bags has, for many years, been the Union Bag and Paper Company.

The complainant the Eastern Paper Bag Company is owned by the Union Company, who in this way own the patent in suit.

The Union Company has been manufacturing and supplying these self-opening square bags to the public at the rate of about ten or twelve millions per day (Elsas, Q. 41, R., Vol. 4, p. 418).

The South Bend Paper Company, using their own form of machine, manufactured and placed upon the market about 300,000 self-opening square bags per day (Elsas, Qs. 40, 42; R., Vol. 4, p. 418).

It further appears from the evidence that probably more than twenty-thousand million S. O. S. (self-opening square) or Deering bags, have been made on the Lorenz and Honiss and Stillwell machines since 1886, when the former were introduced, (Lorenz, Q. 58, R., Vol. 4, p. 422).

The Deering patent on the bag itself expired in 1887, the patents on the Lorenz and Honiss machines expired in December, 1902, and April, 1904, respectively, and the patents on the Stillwell

machines expired in July and December, 1906, respectively. So that the public and any manufacturer for almost 20 years past has been free to make the S. O. S. product or bag (the same bag as is made by the machine of the Liddell patent in suit), and has been for more than four years past free to use the Lorenz and Honiss machines in making S. O. S. bags, and is now free to use the machine of the Stilwell Patents for this purpose.

If the machine of the patent in suit had been in use for the past ten years, instead of the Lorenz and Honiss and Stilwell machines, the public would not have reaped any special benefit or advantage therefrom, because they would have received the same bag as they have been supplied with, and they were free to make that form of bag themselves.

No portion of the public, therefore, on the record before the Court, has been deprived of anything, or the product of any patented invention, even though the machine of the patent in suit has not been put into commercial use.

At most, a commercial manufacturing competitor, the defendant-petitioner, has been subjected to suit on the Liddell Patent, and will be enjoined from using the spe machines covered by the decree herein.

The evidence, therefore, instead of disclosing a state of facts showing that the Liddell invention has never been put into use, and that the failure to do so has deprived any portion of the public of anything to which it was entitled, or resulted in injury to any one, or that the patentee has by his patent conferred no immediate or prospective benefit on the public, discloses nothing relating to the question of non-use of the invention, either unreasonable or wrong, but on the other hand distinctly establishes that no portion of the public has been injured or deprived of any benefit to which it was entitled, assuming non-use to be admitted, and also shows that the invention of the patent in suit is of practical utility, and the use of it, after the expiration of the patent therefor, may be to the profit and advantage of the whole public.

Reasons for Non-user Are in the Record.

The Circuit Court of Appeals said in their opinion that "No reason for the non-user appears in the evidence, so far as we can discover." But they overlooked evidence in the records of certain facts which explain any non-use of the patent in suit. This oversight was doubtless due to the question of non-use having been merely "suggested" on the part of the petitioner, on the oral argument and brief. This evidence was not offered by the respondent, but by the petitioner, and it was not directed toward explaining any non-use. The facts proved, however, establish adequate reasons for not putting the invention of the patent in suit into commercial use. These facts are as follows, in addition to those above stated.

The average cost of building a single machine for making self-opening square bags is over $2,400 (Vol. 4, Elsas, x-Q. 112, p. 440).

At the factory of the Union Bag and Paper Company there were in use sixty machines made in accordance with the Lorenz and Honiss Patents, and seventy-five machines made in accordance with the Stillwell Patent (Vol. 4, Lorenz, Q. 13, p. 139; R. 19, p. 142; Q. 21, pp. 142, 143). Altogether the Union Company had in use about 200 paper bag machines (Vol. 4, Lorenz, Q. 37, p. 146).

The respondent and its associates, therefore, were already in possession of, and had expended hundreds of thousands of dollars in machines for making the "S. O. S." bags, which the Liddell machine produced, and had done so prior to acquiring the Liddell Patent, and long prior to the appearance of the petitioner in the competitive field. To make ten or twelve millions of bags per day (Vol. 4, Elsas, Q. 41, p. 418) involves vast investments for machinery.

So far as appears, their machinery (made under the Stillwell and Lorenz and Honiss and other patents) was and is satisfactory. It is certainly efficient, for their product was and is enormous. The petitioner's witness Stone asserts that the Stilwell and the

Lorenz and Honiss machines are superior to Liddell's, while respondent's expert claims that Liddell's machine was fairly "abreast of its predecessors."

If Liddell invented a machine of equal or greater speed than any owned or used by respondent or its associates, they were entitled to possess it, even though they might not think it of sufficient value to induce them to supersede their already efficient machines, and destroy their investment in the same, by sending them to the scrap heap. The respondent, or those who controlled it, as owners of the Liddell Patent, were entitled to use their judgment or discretion whether the Liddell machine was of such a character as to justify the scrapping of the older machines, and substituting the new Liddell machine, no matter how promising that might be.

The petitioner acquires no rights from this situation.

If its machines embody Liddell's inventions, the right to appropriate the same unlawfully is not conferred on the petitioner, even if the respondent was not ready to build and operate under the Liddell Patent.

The Liddell Patent was of great legitimate value to respondent's interests, as a possible alternative type of a machine for its own use, when the machines it had in use became worn out. To say that the respondent or the company which controlled it, because they owned several patents on machines which could make the S. O. S. bags, must use all of these patents equally, or in fixed proportions, or dismantle working machines to build new ones, or else forfeit patent rights and remedies, is ridiculous on its face.

IV.

Summary of argument for respondent on petitioner's first ground of certiorari.

The petition, the brief supporting it and the dissenting opinion of his Honor Judge ALDRICH in the Circuit Court of Appeals, are all based on the assumption that the respondent is seeking to perpetrate a wrong on somebody, and has thereby disqualified itself to receive protection in the Chancellor's Court.

The maxim "Sic utere tuo ut alienum non laedas" unquestionably applies to the exercise of rights under letters patent for invention, as well as to all other classes of property, and if the record shows unconscionable use of the patent property on the part of the respondent, a court of equity was, we concede, no place in which to urge their claim.

It is conceded in the dissenting opinion by Judge ALDRICH, and is not now in controversy, that the respondent is legally in possession of the patent in suit, that the patent is valid, and that the petitioner is a wrongdoer in that it has, in defiance of the Government's proper grant, extensively utilized our patent property. The existence of the right and the fact of the wrong being thus conceded, the respondent is *prima facie* entitled to the intervention of the Chancellor by injunction to prevent the continuance of the wrong, and it is clearly entitled to this relief unless it has, by some wrongful act, disqualified itself from appearing in a court of conscience against the petitioner.

Such misconduct on the part of the respondent is implied in the petition and the brief, where it is asserted that the patented invention has "Unreasonably been held in non-use," and in the dissenting opinion His Honor, Judge ALDRICH, uses stronger language and a good deal of it, in reprobation of the respondent's conduct with regard to the patent. Moreover the dissenting opinion instances hypothetical situations where the massing together of patents might be effected with wrongful and mischievous intent. But all this has

nothing to do with the case at bar in which the only question is whether this respondent is shown in the record to be guilty of improper and inequitable conduct, which should and will induce the Chancellor to refuse the only possible protection and enforcement which can be given to the monopoly guaranteed by the Government by the grant of the patent.

Neither the Bench nor the Bar require any reannouncement by this Court of the equitable maxim to which we have referred, and no Chancellor ever has, or ever will hesitate to refuse intervention where it is shown that not justice, but injustice, would be effected by the granting of relief by injunction.

The question then is,—Has the respondent committed a wrong which disqualifies it from equitable relief? Counsel for the petitioner asserts that it has, by reason of what he terms its "unreasonable nonuse" of the invention covered by the patent. The dissenting judge in the Court of Appeals does not take the ground that the mere nonuse of the patented invention was a wrongful act which disqualified the respondent from relief in equity, but does assert that a wrong was committed, in that the owner of the patent was manufacturing by means of other patented machines, and held the patent in suit in non-use while asserting its exclusive rights thereunder.

The facts are freely admitted by which it appears that the Union Bag and Paper Company, the virtual owner of the patent, is a large corporation manufacturing paper bags and among them bags known as the "Self opening square bags," the manufacture and sale of which has been under various patents owned by it.

Out of the various patented devices and improvements which it had acquired and owned for the limited terms of the patents, the company utilized in the construction of its machines those which it deemed to be best, and there is no dispute but that it was amply equipped to supply the public demand for the peculiar paper bags known as the "self opening square bags." Among the devices controlled by its letters patent was that of the patent in suit, and it was a part of the petitioner's case to assert through its witnesses that

the patented device was greatly inferior to the devices in actual use by the Union Company, and it is a fact to which the respondent's own witnesses testify, that in spite of its many merits it is in some respects not as good a machine for making the bags in question as those machines which the Union Company actually used.

The exact fact is, then, that the device of the patent in suit was a good practical commercial device, approximating in economical value the devices actually used in the successful business of the Union Company, and the real question involved in this petition is, whether the non-use of the patented device under these conditions is so wrongful and contrary to public policy that a court of equity should refuse its aid in the enforcement of the monopoly guaranteed by the grant of the patent.

Indeed the question would be only colorably and not really different, if the Union Company were using in its manufacturing business some machines covered by the patent in suit. Because the use of these machines would, under the existing circumstances be merely colorable and for the purpose of inducing the protection of its patent rights by a Chancellor who, it is asserted by the petitioner, should refuse his aid in the case of the entire non-use. Practically, then, the question comes down to the proposition that no single individual or corporation is entitled to protection in the ownership of two or more patents covering alternative devices. A proposition so radical that we cannot believe it will commend itself to this Court as one requiring its authoritative answer.

The purpose of the patent law is to stimulate invention and to induce its prompt communication to the public. The inducement held out to inventors is an absolute monopoly of their invention for a limited term, during which term the public has the invention fully communicated to it through the specification of the patent, partly for the purpose of enabling it to know what is the scope and extent of the monopoly, and partly for the purpose of enabling it to at once avail itself of the invention when the monopoly has expired.

If the rule contended for by the petitioner receives the sanction of this Court, it will inevitably be found to defeat or greatly impair

the beneficial working of the patent laws, both in stimulating inventions and inducing their prompt publication.

If, as the petitioner contends, no one is permitted to acquire title to patents to alternative constructions, which titles will be recognized and enforced in the Court of Equity, then the inventor becomes the irreconcilable foe of any man in possession of a patented improvement. Nay, more than this; the man in possession could not even take out a patent for a new and better machine invented by himself, for if he did so and put it into use, his old machine would become the prey of his competitors, while if he took out a patent for the newer machine without putting it into use, then the new and better machine would virtually become the property of his competitor. The petitioner's rule, then, would inevitably convert what is to-day the greatest influence tending toward the development of inventions, into an irreconcilable foe of improvement, and would enormously debase the value of every patent in existence, or to come into existence in the future.

Again, an inventor setting himself the problem of devising some new way of carrying out an industrial process or manufacture will very frequently work out several solutions of his problem, which can be covered only in separate patents and are practically alternative to each other. As the law is understood to-day, he will take all these patents into the market and sell them all to one man, who will use the one which he finds or judges to be of the greatest advantage, and hold the alternative patents for protection, but if the petitioner's rule is adopted, the patenting of the alternative solutions of the inventor's problem will completely destroy the value of all the patents, because no one will purchase one of them knowing that the others will naturally come into the possession of his competitors, and no one will purchase all of them because, under the rule contended for, his ownership will not be recognized or his monopoly enforced in a court of equity. The unfortunate inventor, therefore, would be virtually compelled to do what would be almost the fraudulent act, of concealing from a solicited purchaser of one of his inventions the fact that he had other inventions which would

practically nullify the value of the one patented, and the dictates of good faith toward the purchaser would require that he should, contrary to the spirit and intent of the patent law, suppress and conceal the other patented inventions.

It seems to us that public policy dictates the fullest recognition and amplest enforcement of patent monopoly in all cases where it is not shown that the patent is being used as a mere cloak for a fraud or wrong. It may be true that the introduction of patented improvements into use frequently, if not generally, leads to an immediate advantage to the public in the improvement of the article manufactured or the cheapening of its price. But this is by no means always the case. The advantage may, for the term of the patent, flow solely to the owner of the patent, in that it may enable him to manufacture more cheaply, while his interests dictate that the prices to the public shall remain the same. Yet no one would contend that under such circumstances the owner of the patent was acting inequitably or was not entitled to protection by the writ of injunction from a court of equity. The price which the government, as the representative of the people, has stipulated for, is the free and full communication of the invention and the right of the people to use it after the expiration of the patent. And for these considerations the government has stipulated that the public shall forego all immediate advantage and that the inventor and his assigns shall have the absolute monopoly for the term of the patent and the right to derive profit therefrom as, and how they can.

What we have said above is to the point that the public cannot be said to be wronged by the mere non-use of a patented invention, especially in such a case as the present, where the public demand has been fully satisfied by means of as good machines as the patent in suit provides for.

It can hardly be claimed that the petitioner has suffered any wrongs at the hands of the respondent. On the contrary it must be conceded and it is a manifest fact that they have greatly and inexcusably injured the respondent. Of course it was open to anyone legitimately, properly and laudably, to devise

or acquire other machinery which would enable them to manufacture and to sell these bags in competition with the Union Company. But the petitioner in place of purchasing or devising such machinery deliberately constructed its machines in accordance with and in infringement upon the patent in suit. It filled huge mills with these infringing machines and has for many years past and is to-day depriving the Union Company of an enormous share of the trade which could not have been diverted from it except by the use of these infringing machines, while of course the competition has inevitably resulted in the cutting of prices and the great loss of profits. It is very doubtful as to what, if any damages can be recovered for the enormous injury inflicted by the petitioner, and in this, as is unfortunately true in most patent cases, the only protection which can be confidently looked to by the owner of the patent is in the strong arm of the Chancellor interposed to prevent the continuance of the wrong.

But indeed there is no pretense that the petitioner has suffered wrong at the hands of the respondent and the only question which is really raised by this petition is, whether the non-use of the invention in suit, under the circumstances shown in this record, was a wrong to the public of such a character as to induce a Chancellor to say to the owner of the patent, "You do not come into my Court with clean hands and have virtually lost all equitable title to the monopoly which the Government has solemnly secured to you."

It is the very essence of the finding in the opinion of the dissenting Judge in the Court of Appeals, and it is a fact, that very important and large interests depend upon the enforcement of the monopoly granted by the patent in suit. There is, therefore, in this case no possibility of the denial of an injunction by reason of the unimportance of the controversy, and if this Court intervenes at all, it must be to take up the bald proposition that it is reprehensible conduct and a wrong on the public for any one person, natural or artificial, to hold and exercise at the same time rights under two or more patents for alternative forms of invention,

a proposition which, it seems to us, strikes at the very heart of the patent system.

We ask the Court to note that the petition and brief filed in support of it on this first assignment of error rests simply upon the two points :

First. That the respondent has committed a wrong on the public by not actually building and using or building and selling the patented machine, and

Second. That the respondent has really no interest which requires the intervention of a court of equity to protect.

Neither of these points is supported by evidence in the record. On the contrary, it is clear, for reasons we have noted that the respondent has wronged nobody, and equally clear that it has enormous interests on the recognition and enforcement of its rights under the patent. We can concede that, if it were shown as a matter of fact that the respondent was seeking to perpetuate a wrong, either on the individual defendant, or on the defendant as one of the people at large, under the mere guise of asking recognition and protection of its patent, or if it were shown that it had no real interest which required the interference of the Chancellor for effective protection, the writ of injunction should be denied. But we submit that these principles are elementary and need no new sanction from this Court and therefore that there is no reason or color of reason why this petitioner should be permitted to continue its already enormously destructive infringement for the further long period which would necessarily elapse before this case, if taken up, would be heard and decided by this Court.

V.

The principles of law which must govern the right to injunction, where there has been no commercial use of a patent, have been frequently stated by the United States Supreme Court.

This Court may not in any case have directly passed upon the proposition of withholding an injunction restraining the infringement of a valid patent, whether it is known as a paper patent or not, and where non-use and the circumstances thereof have been shown in the record. But it has clearly stated the principles which must govern.

The Circuit Courts and Circuit Courts of Appeal have found no difficulty in applying these principles, and the cases in which they have been applied to proofs before these Courts relating to any non-use of patents, have uniformly held that mere abstention from use of the patent invention, did not deprive the inventor of any of his equitable rights or remedies. A discussion of these cases is unnecessary, they are familiar to this Court, but leading cases are here mentioned.

Grant vs. Raymond, 6 Peters, 218, 243 (opinion by Chief Justice MARSHALL).
Bloomer vs. McQuewan, 14 How., 539 (opinion by Chief Justice TANEY).
Cammeyer vs. Newton, 94 U. S., 226.
Densmore vs. Scofield, 102 U. S., 375.
United States vs. Bell Telephone Co., 167 U. S., 249.
Connolly vs. Union Sewer Co., 184 U. S., 540, 546.
Bement vs. National Harrow Co., 186 U. S., 70, 90.

Besides the decision of the Circuit Court of Appeals for the First Circuit, in the case at bar, the Circuit Courts of Appeal

for the Second, Fourth, Sixth, Seventh and Ninth Circuits have applied and adopted these principles.

Edison vs. Mt. Morris Co., 57 F. R., 642, 644 (2d Cir.).
Heaton-Peninsular vs. Eureka, 77 F. R., 294 (6th Cir.).
Crown Cork & Seal Co. vs. Aluminium Stopper Co., 108 F. R., 845, 868 (4th Cir.).
Fuller vs. Berger, 120 F. R., 274, 277 (7th Cir.).
Victor Talking Mch. Co. vs. Fair, 123 F. R., 425 (7th Cir.).
U. S. Seeded Raisin Co. vs. Griffin, 126 F. R., 364, 368 (9th Cir.).

As these principles naturally flow from the character of a patented invention and the nature of the patent granted thereon, the Circuit Courts have applied these principles for over half a century.

Carr vs. Rice, 1 Fish., 198, 200.
Wentermuth vs. Reddington, 1 Fish., 243.
Ransom vs. Mayor, 1 Fish., 255.
Pitts vs. Wemple, 2 Fish., 15.
Whitney vs. Emmett, 1 Bald., 303.
Broadnax vs. Central Stock Yard, 4 F. R., 214, 216.
Consolidated vs. Coombs, 39 F. R., 803.
Wirt vs. Hicks, 46 F. R., 71.
Campbell vs. Manhattan Ry., 49 F. R. 930.
Edison vs. Mt. Morris, 57 F. R., 642, 644.
Masseth vs. Reiber, 59 F. R., 614.
Bonsak vs. Smith, 70 F. R., 383.
Columbia vs. Freeman, 71 F. R., 302, 306.
Wyckoff vs. Wagner, 88 F. R., 515.
National Co. vs. Daab, 136 F. R., 891, 895.
Hoe vs. Miehle, 141 F. R., 115.

The Court of Appeals of the State of New York has taken the same view of a patent and the rights of a patentee thereunder, in the case of *Good vs. Deland*, 121 N. Y., 8, in an opinion by Mr. Justice PECKHAM.

Both of the well-known text books on the law of patents also announce these principles.

Robinson on Patents, Vol. 1, Secs. 20, 25, 30.
Walker on Patents, Secs. 151, 152, 154 (4th Ed.).

The learned author of *Walker on Patents* (counsel for petitioner herein), in Section 154, says:

"A patent right is an absolute, and not a qualified right. During the term of his patent a patentee may, if he pleases, decline to allow any other person to make, use, or sell the invention which it covers, and at the same time may refrain from making, using and selling this invention himself."

In support of these brief and concise statements of the nature of a patent, the learned author, in the last and fourth edition of his work, cites thirteen cases, including that of *United States vs. Bell Telephone*, 167 U. S., 250, *supra*; the decision of Mr. Justice PECKHAM in *Good vs. Deland*, 121 N. Y., *supra*; *Consolidated vs Coombs*, 39 F. R., 805; *Campbell vs. Manhattan Ry.*, 49 F. R., 935, and *Heaton vs. Eureka*, 77 F. R., 294, referred to in the majority opinion of the Court of Appeals in the case at bar, besides many of the other cases above referred to.

Mr. Walker further says, (sec. 151):

"Patents are property, and the owner of a patent is both legally and equitably entitled to the same protection for that property that the owner of any other species of property may enjoy."

As to the right obtained by a patentee, he states (sec. 152):

"On the other hand, he receives from the government nothing which cost the government or the people a dollar, or a sacrifice. He receives nothing but a contract, which provides that for a limited time he may exclusively enjoy his own."

Moreover, as Mr. Walker points out (sec. 106), Congress did not overlook the question of non-user of patented inventions, and did not intend that a patentee should be deprived of any of his rights by non-user. The Patent Act of 1832, Section 1, provided that in the case of a patent to a foreigner, the invention patented must be introduced into public use within one year after the date of the patent, and continued in public use, in order to preserve the rights of the patentee.

But there never was, and is not now, any such provision in the case of a patent to a citizen, and the law in question, as to a foreigner, was repealed in 1836.

Mr. Walker says (Sec. 106), in regard to this legislation :

"The fair inference from this course of legislation seems to be that Congress does not intend any patent right to be lost on any ground of non-user of that right."

See, also, *Wheeler vs. Clipper Co.*, 10 Blatch., 184, 185.

It must necessarily follow from this Court's construction of the patent statutes that the patentee's right, guaranteed by the Government, to exclude others from the use of his invention by the writ of injunction, is not conditioned upon the use of his invention, nor can it be lost by any mere non-use. This being so, the mere fact of non-use, or mere lack of reasons or explanation therefor, cannot deprive him of the right to exclude others, according to the patent contract, from using his invention.

For the patent statute itself gives the patentee, in express terms, the remedy of injunction, and he cannot be deprived of this statutory right, or the right to call upon the Government to make good its guarantee by the remedy of injunction by mere "non-use." Certainly the remedy of money damages by an action at law cannot fulfil the Government's guarantee to exclude infringers.

VI.

The petitioner's second proposition is that the patent in suit "is not a pioneer patent and does not embody a primary invention, but only an improvement on the prior art," and as "defendant's machine can be differentiated, the charge of infringement cannot be maintained."

It is not urged by petitioner that there is any diversity of opinion between the Circuit Courts of Appeal on that proposition, or that the judgment of this Court is required thereon, for any special reason.

On the contrary, the petitioner asserts that this Court has announced this doctrine in various cases during the past fifty years. But it is also asserted that the Circuit Court of Appeals, in the case at bar, did not apply it, although counsel for petitioner contended and still contends it was plainly applicable thereto.

In other words, the petitioner, alleging that the Circuit Court of Appeals, in the case at bar, has made an error of decision, is making use of this petition for a writ of *certiorari* as a means of appealing to this Court from the judgment of the Circuit Court of Appeals.

It is submitted that the decision of the Circuit Court of Appeals on this second proposition of the petitioner, is not inconsistent with any of the decisions of this Court.

The petitioner's argument in support of its second proposition is simply a re-argument of its case in the Circuit Court and Circuit Court of Appeals. Counsel for petitioner was heard for more than four days at Circuit by his Honor Judge PUTNAM and for one whole day by the Circuit Court of Appeals, and every argument and case he now refers to was fully presented by him on both occasions. Moreover, the petitioner's second proposition and argument thereon assume certain facts which both the Circuit Court and the Circuit Court of Appeals have found against the petitioner.

Both the Circuit Court and the Circuit Court of Appeals have found, as a matter of fact, that the patent in suit is a broad one, and that the defendant's machine cannot be differentiated from the machine of the patent in suit.

The findings as to the character and breadth of Liddell's invention are expressly and clearly set forth in the opinion of Judge PUTNAM (142 F. R. 479, 488, 489, 493), as well as his finding that the mechanisms of petitioner's and Liddells machine are identical (142 F. R. 494–499) and need not be reiterated here.

The Court of Appeals says (Vol. 8) :

> " The defendant's machine is within the letter of the claims of the patent. These are broadly drawn. * * * This breadth of claims would imperil the patent were the

> real invention less broad, but the defendant has not pointed out, and we have been unable to find, any operative combination of a rotary cylinder and a forming-plate oscillating thereon earlier than the patent in suit. If, therefore, the patent is valid, it has a wide scope, and the mechanical arrangement used by the defendant is fairly within its terms * * *."

Judge ALDRICH opens his dissenting opinion with the statement: "I agree to the conclusion that the patent in suit was infringed" and this includes agreement with the opinion of the other judges as to its scope and validity.

As this second ground of petitioner for *certiorari* is merely a cleverly worded attempt to secure an appeal on the question of infringement, already twice decided against defendant on the same record and contentions, it needs no further attention.

Petitioner, however, alludes in his brief (p. 62), but not in his petition, to the so-called Hunter defense, not apparently as a valid ground for *certiorari*, but as a sort of make-weight, added to other grounds. But this involves a pure question of fact decided against petitioner in both the Circuit Court and Court of Appeals.

It furnishes no ground for *certiorari*. We need only call attention to the opinion of Circuit Court and Court of Appeals on this point, without wasting time in discussing it.

The Court of Appeals says :

> "We do not feel ourselves required to review the evidence adduced to support this theory ; it is insufficient to establish that the serious crime alleged was committed by Hunter."

The alleged Claussen defense also is merely a make-weight allegation of the brief, not alluded to in the petition for *certiorari* and supplying no ground therefor. It also involves a pure question of fact, twice decided against petitioner after full hearing of the evidence as the opinions fully show.

Judge PUTNAM overruled it after full consideration (142 F. R., pp. 511, 515, 516). His findings were affirmed by the Court of Appeals (Opinion, Vol. 8).

Conclusion.

A brief summary, of reasons why the petition for a writ of *certiorari* should be denied, is as follows:

1. The controversy is between two corporations. The public, having been fully supplied with the product of the patented machine, has no interest involved, and the petitioner, defeated in the lower Courts, seeks to prolong the contest in this Court, while the injunction and accounting stand suspended.

2. The record (and that only by oral statement on argument) is merely of no commercial use of the patent in suit. But this, the Circuit Court of Appeals are unanimous in holding, does not interfere with equity jurisdiction founded on injunction, and the petition does not request the writ of *certiorari* on that ground.

3. There was no record before the Court of Appeals, nor is there any here, of "unreasonable" non-use, which is made the basis of the petition, nor of "wrongful" non-use, which is made the basis of the dissenting opinion. On the contrary, the record explains the non-use, and shows it to have been reasonable and proper.

4. This Court has laid down the principles which must govern, so there is no new question of law to be decided by it, and the Courts of Appeal have uniformly applied those principles, so there is no conflict between those courts on either the law, or its application to any facts in this case.

5. This Court will not issue a writ of *certiorari* where it is evident, as in this case, that a hearing will result in affirming the decision of the Circuit Court and Circuit Court of Appeals, and merely for the purpose of formulating an opinion upon points which may be raised.

February 23, 1907.

Respectfully submitted,

SAMUEL R. BETTS,

FRANCIS T. CHAMBERS,

Counsel for Respondent.

Office Supreme Court, U. S.
FILED
FEB 11 1907
JAMES H. McKENNEY,
CLERK.

No. 202.

SUPREME COURT OF THE UNITED STATES.

CONTINENTAL PAPER BAG COMPANY,
PETITIONER,

vs.

EASTERN PAPER BAG COMPANY,
RESPONDENT.

PETITION FOR A CERTIORARI

AND

PETITIONER'S BRIEF

BY

ALBERT H. WALKER,
COUNSEL
FOR THE PETITIONER.

IN THE

SUPREME COURT OF THE UNITED STATES.

October Term, A. D. 1906.

CONTINENTAL PAPER BAG COMPANY,
Petitioner,

vs.

EASTERN PAPER BAG COMPANY,
Respondent.

Petition for a Writ of Certiorari, requiring the United States Circuit Court of Appeals for the First Circuit, to certify to the United States Supreme Court, for its review and determination, the case of the Continental Paper Bag Company *vs.* the Eastern Paper Bag Company, being No. 635 of the Docket of said Circuit Court of Appeals.

To the Supreme Court of the United States of America:

Your petitioner, the Continental Paper Bag Company, a corporation created and existing in due form of law in

the State of Maine, and having a paper bag factory in Rumford Falls, Maine, respectfully shows to this court as follows:

I.—The Circuit Court of Appeals for the First Circuit on December 24, 1906, made a decree affirming an interlocutory decree granting an injunction, which was made by the United States Circuit Court for the District of Maine on December 28, 1905, in the case of the Eastern Paper Bag Company *vs.* the Continental Paper Bag Company, then pending in the said Circuit Court for the District of Maine, and based on alleged infringement of letters patent of the United States No. 558,969, granted April 28, 1896, on an alleged improvement in paper bag machinery.

II.—The said decree of December 24, 1906, of the Circuit Court of Appeals for the First Circuit, was not the result of any unanimous opinion of the three judges, who in April, 1906, heard the appeal of the Continental Paper Bag Company from the said interlocutory decree of the United States Circuit Court for the District of Maine; but the said decree of the United States Circuit Court of Appeals for the First Circuit, was based upon a short written opinion of his Honor, Judge Lowell, which was concurred in by his Honor, Judge Colt; but which was dissented from by his Honor, Judge Aldrich, in a long and elaborate written dissenting opinion filed in the case.

III.—The question in the case upon which his Honor, Judge Aldrich dissented from their Honors, Judges Lowell and Colt, is a very important question of law, which according to the written opinion of the majority of the Court, and also according to the dissenting opinion of Judge Aldrich, and also in point of fact, has never been decided by the Supreme Court; and indeed it has never

been even mentioned in any reported discussion or opinion of this tribunal.

IV.—That question of law is one upon which the written opinion of his Honor, Judge Putnam, when deciding the case in the Circuit Court for the District of Maine, indicates that he himself held the same view as that afterward set forth in the dissenting opinion of Judge Aldrich, though Judge Putnam decided the case to the contrary of his own view, in deference to what he understood to be a "practice" which seemed to him to have "crystalized"; but Judge Putnam suggested, in the same written opinion, that your petitioner might in some way, obtain "relief" from the Supreme Court, from the present result of that crystalized practice.

V.—The written opinion of Judges Lowell and Colt, does not contain any argument, nor even any expression of conviction, to the effect that the view of Judges Putnam and Aldrich on this question of law is erroneous. That written opinion is based entirely on one Supreme Court case and six cases in lower Federal Courts, which are thought by Judges Lowell and Colt to "favor" the contrary view.

VI.—The question of law above referred to, is properly formulated as follows:

Does equity have jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use, by all the owners of the patent, instead of being made beneficial to the art to which it belongs.

This question depends on the propriety or impropriety of an injunction in such a case, for it was settled a quarter of a century ago by this Court, that the jurisdic-

tion of equity in a patent case, is dependent upon the propriety of an injunction therein.

VII.—There is also a second point of law, a particular decision of which was necessary and was made by the Circuit Court of Appeals, in foundation of the decree of that Court of December 24, 1906; and although Judge Aldrich did not dissent from the opinion of Judges Lowell and Colt on that second point of law, your petitioner desires to submit to the Supreme Court an explanation and argument to show that the decision of the Circuit Court of Appeals on that question of law, was logically inconsistent with a number of decisions of the Supreme Court upon the same question of law.

That second point of law is properly formulated as follows:

"Where the patent sued on is not a pioneer patent, and does not embody a primary invention, but only an improvement on the prior art, and defendant's machine can be differentiated, the charge of infringement cannot be maintained."

This point of law has been announced in various forms, and applied to various patents, by the Supreme Court in twelve different cases, during fifty years, but it was not applied by the Circuit Court of Appeals for the First Circuit to this case; though it was plainly applicable thereto, and though its application thereto would necessarily have resulted in a decision of the case in favor of your petitioner.

VIII.—Your petitioner prays this honorable Court, to read and consider in support of this petition, a brief which will be submitted therewith by your petitioner's counsel.

IX.—Wherefore your petitioner respectfully prays that a Writ of Certiorari be issued out of and under the seal of this Court, and directed to the Circuit Court of Appeals for the First Circuit, and requiring that Court to send to this Court, on a day certain to be therein designated, a full and complete Transcript of the Record of all the proceedings of said Circuit Court of Appeals in said cause, together with a full and complete Transcript of the Record of all proceedings in said Circuit Court of the United States and for the District of Maine in said cause, in order that such proceedings may be had thereon as to this honorable Court may seem just. And your petitioner respectfully prays that thereupon the said decree of said Circuit Court of Appeals for the First Circuit may be reversed by this honorable Court; and that the said Circuit Court of Appeals may be directed to instruct the said Circuit Court for the District of Maine to reverse the interlocutory decree granting an injunction, which was made in that tribunal on December 28, 1905. And your petitioner also respectfully prays that the said Circuit Court for the District of Maine may be directed, through the said Circuit Court of Appeals for the First Circuit, to dismiss at complainant's costs, the bill of complaint, in the said case of the Eastern Paper Bag Company *vs.* the Continental Paper Bag Company. And your petitioner also respectfully prays for a proper order to be made by this honorable Court, directing the said Eastern Paper Bag Company to pay all the costs of said appeal from the Circuit Court for the District of Maine to the Circuit Court of Appeals for the First Circuit, and also to pay all the costs incident to all those proceedings in this honorable Court, which may be had in pursuance of this petition.

And your petitioner will ever pray.

CONTINENTAL PAPER BAG COMPANY,
By ALBERT H. WALKER,
Its Attorney.

State, City and County of New York, ss.:

ALBERT H. WALKER, being duly sworn, deposes and says that he is a member of the Bar of the Supreme Court of the United States; and that as attorney for the Continental Paper Bag Company, he has been and is duly authorized to execute and present the foregoing petition; and that he personally prepared said petition, and is informed and believes that all of the statements made therein are accurately true.

New York, January 15, 1907.

LEON LASKI,
Notary Public,
N. Y. County.

(Seal.)

IN THE

SUPREME COURT OF THE UNITED STATES.

October Term, A. D. 1906.

No. 568.

CONTINENTAL PAPER BAG COMPANY,
Petitioner,

vs.

EASTERN PAPER BAG COMPANY,
Respondent.

PETITION FOR A WRIT OF CERTIORARI.

Brief for the Petitioner.

No extended examination of the voluminous Transcript of Record in this case, will be necessary to the consideration of the petition for a certiorari, nor to the decision of the case in the event of the granting of that

petition; because the petition asks the Supreme Court to review the decision of the Circuit Court of Appeals for the First Circuit, only upon two questions of law; and because those facts in the case which relate to those two questions of law, are so concisely proved in the Record, and are so undisputed there, that the Court will need only to look at the cited places where that evidence is printed, to verify the citations thereof which occur at the proper places in this brief.

The First Question of Law.

This first question is formulated as follows, in section VI of the petition for a certiorari.

"Does equity have jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use, by all the owners of the patent, instead of being made beneficial to the art to which it belongs."

This question depends on the propriety or impropriety of an injunction in such a case, for it was settled a quarter of a century ago, by this Court, that the jurisdiction of equity in a patent case is dependent upon the propriety of an injunction. Root *v.* Railway Co., 105 U. S., 189, 1882.

Upon this first question of law, the judges who heard the case in the Circuit Court of Appeals for the First Circuit, were divided in opinion. Judge Aldrich wrote an elaborate opinion in the negative, which occupies pages 5 to 24 inclusive, of Volume VIII of the Transcript of Record. Judge Lowell wrote only a single paragraph in the affirmative, which paragraph was concurred in by Judge Colt, and is printed on page 4 of Volume VIII of the Transcript of Record; and the whole of which paragraph is as follows:

"The machine of the patent in suit is mechanically operative, as was shown experimentally for the purposes of this suit, but it has not been put into commercial use. No reason for the non-user appears in evidence, so far as we can discover. The defendant's machine has been an assured commercial success for some years. It was suggested at the oral argument that an unused patent is not entitled to the protection given by the extraordinary remedy of an injunction. This contention was not made in the defendant's printed brief. While this question has not been directly passed upon, so far as we are informed, in any considered decision of the Supreme Court, yet the weight of authority is in favor of the complainant. Fuller *v.* Berger, 120 Fed. Rep., 274; Bement *v.* Nat. Harrow Co., 186 U. S., 70, 88, 90; Heaton Peninsular Button Fastener Co. *v.* Eureka Specialty Co., 77 Fed. Rep., 288; Crown Cork Co. *v.* Aluminum Stopper Co., 108 Fed. Rep., 845, 868; Broadnax *v.* Central Stock Yard Co., 4 Fed. Rep., 214, 216; Consol. Roller-Mill Co. *v.* Coombs, 39 Fed. Rep., 803; Campbell Printing Co. *v.* Manhattan Ry. Co., 49 Fed. Rep., 930."

On this first question of law, Judge Putnam inserted in his written opinion, when deciding the case in the Circuit Court for the District of Maine, the following sentences, which are printed on page 2622 of Volume VII of the Transcript of Record:

"The record also shows that the complainant, so to speak, locked up its patent. It has never attempted to make any practical use of it, either itself or through licenses, and, apparently, its proposed policy has been to avoid this. In this respect, it has not the common excuse of a lack of means, as it is unquestioned that the complainant is a powerful and wealthy corporation. We have no doubt that the complainant stands in the common class of manufacturers who accumulate patents merely for the purpose of protecting their general industries and

shutting out competitors. According to the view of the court, as now constituted, there are, and can be, no peculiar rules applicable to bills in equity in causes touching alleged infringements of patents for invention; and such bills are governed by the general rules, except, of course, so far as the statute authorizes an award of damages as well as an account of profits. Applying those general rules, it seems to the court as now constituted, that a case like this at bar exhibits no interest involved, as to which a complainant can suffer legal detriment pending litigation in the courts of common law. Nevertheless, in some way the practice seems to have crystallized otherwise, and the court sees no relief for the respondent in this direction unless, in some way, obtained from the Supreme Court."

The counsel for the petitioner in this case, has carefully read and analyzed every reported decision of the Supreme Court relevant to the patent law, which has been decided from the foundation of the Government in the eighteenth century until now; and it is within his knowledge, that the first question of law now presented to the Supreme Court by this petition for a certiorari, has never been decided by this tribunal, and has probably never even been mentioned, in any reported opinion of this Court.

The fact that the Circuit Court of Appeals for the First Circuit was divided in opinion on this question of law, and the fact that Judge Aldrich appears in his dissenting opinion to be far more earnestly convinced of the correctness of a negative answer, than Judges Lowell and Colt appear in their brief written opinion to incline toward an affirmative answer to the question, and the fact that Judge Putnam, though he formally decided the question in the affirmative, appears in his written opinion, to himself hold the negative view; are quite enough to show that the decision of the majority of the Circuit

Court of Appeals upon the question, was not clearly right. And now that showing will be corroborated by a critical explanation of all those seven reported cases which are cited in the written opinion of the Circuit Court of Appeals, as the only foundation of the affirmative answer which the majority of that court gave the first question of law, upon which this petition for a certiorari is based.

Bement v. *National Harrow Co.*, 186 U. S., 70, 1902, raised only one Federal question, and this court in deciding that case, did not purport to decide any other question. It decided that question by holding that the "Act to protect trade and commerce from unlawful monopolies" (which is commonly called the Sherman anti-trust law), does not apply to that kind of restraint of interstate commerce which may result from contracts between patentees, limiting the terms upon which the articles covered by their patents are to be sold, and regulating the prices to be received therefor.

Mr. Justice Peckham, in his written opinion announcing this decision of the Supreme Court, stated that "An owner of a patent has the right to sell it or to keep it; to manufacture the article himself or to license others to manufacture it; to sell such article himself, or to authorize others to sell it." 186 U. S., 88, three bottom lines. But Justice Peckham did not state it to be the opinion of the Supreme Court, nor his own opinion, that the owner of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use, instead of being made beneficial to the art to which it belongs, is entitled to writs of injunction to restrain every body else from using that invention, and thus making it beneficial to that art. Quite otherwise than this, everything written and everything quoted by Justice Peckham, in his written opinion in the case of Bement *v.* National Harrow Co., is consistent with the view expressed by

Judge Putnam, and with the view expressed by Judge Aldrich in this case, which view is to the effect that, while the owner of a paper patent by long, always and unreasonably holding it in non-use, instead of making it beneficial to the art to which it belongs, does not thereby forfeit that patent, he does thereby disentitle himself to writs of injunction for its enforcement, and does thereby confine himself to rights of action at common law for its infringement.

Fuller v. *Berger,* 120 Fed. Rep., 274, 1903, is a decision of a majority of the Circuit Court of Appeals for the Seventh Circuit, as against a powerful and eloquent dissenting opinion of Judge Grosscup. In that case the majority of the Court held that the owner of a patent on an invention which is used or is designed and adapted to be used to accomplish a good result (such as the detection of bogus coins) does not disentitle himself to an injunction, by using that invention as an appendage to a gambling machine.

There was no question of non-use involved in the case of Fuller *v.* Berger. But Judge Baker in writing the opinion of the majority of the court, inserted therein an *obiter dictum* to the effect that "non-use is not a defense in equity." He based that *obiter dictum* upon the third of the eight cases which are now being reviewed, namely:

Heaton Peninsular Button Fastener Co. v. *Eureka Specialty Co.,* 77 Fed. Rep., 288, 1896, was decided by the Circuit Court of Appeals for the Sixth Circuit. It did not involve any question of misuse or non-use of a patented invention, by the owner of the patent; for the owner of the patent was extensively engaged in making and selling the patented machines, which were for fastening buttons to shoes with metalic fasteners. The question which the Court decided, was whether the owner of the patent had a right to attach to each sale of a machine the condition that it should not be used with fasteners

manufactured by any other party. In writing the opinion of the Court, in the affirmative of that question, Judge Lurton said by way of *obiter dictum*, that a patentee is neither bound to use his invention himself nor to permit others to use it. But Judge Lurton did not say or imply that where a patentee long and always and unreasonably has held his invention in non-use, instead of making it beneficial to the art to which it belongs, he is entitled to writs of injunction to prevent everybody else from using that invention; and everything in Judge Lurton's written opinion is consistent with the view that such a patentee is properly relegated to an action at law, whenever he undertakes to maintain his property right in his patent.

Crown Cork & Seal Co. v. *Aluminum Stopper Co.*, 108 Fed. Rep., 845, 1901, was decided by the Circuit Court of Appeals for the Fourth Circuit. In writing the opinion of the Court in that case, Judge Brawley said that "The tenth defense is want of equity jurisdiction in cases of alleged infringement, where the things covered by the patents, have never been made or sold by the patentee." Judge Brawley thereupon based a negation of that defense on the ground that the non-use of the invention by the patentee had not been unreasonable, and the record showed that it had not been long.

That suit was based upon a reissue patent, the original of which was granted May 28, 1895, and which had been reissued July 26, 1898, in pursuance of an application filed December 26, 1895. The suit against the Aluminum Stopper Co. was begun November 12, 1898, and therefore less than four months after the beginning of the monopoly upon which it was based. The Court found that the omission of the patentee to introduce the invention into use while the application for the reissue was pending, was not unreasonable, because the defendant had strenuously endeavored, during that time, to

prevent the granting of the reissue, and which time extended from December 1895, to July 1898. And though the Court did not expressly so state, it presumably held that the omission to put the invention into use after the original patent was granted in June 1895, and before the reissue patent was applied for in December 1895, was not unreasonable; because the patent at that time did not secure to the patentee any exclusive right to the invention, the claims of the original patent being inoperative for that purpose. And the Court also presumably held that the omission of the patentee to put the invention into use during the three or four months that intervened between the granting of the reissue and the beginning of the suit, was not unreasonable, because the patentee understood that the defendant was extensively infringing the patent, and was resolutely determined to continue to do so, until stopped by a writ of injunction, and was resolutely determined to resist any bill of complaint which might be brought against it for such an injunction, on the ground that the reissue patent was void.

The counsel for the defendant petitioner in this paper bag machine case, is the same attorney who was counsel for the defendant appellee in that Aluminum Stopper case. He did not take the ground in the Aluminum Stopper case that the non-use of the invention by the patentee had been either long or unreasonable, for the facts did not furnish any foundation for either of those contentions. He did not even express the opinion that the mere fact that the thing covered by the patent had never been made, used or sold by the patentee, or under its authority, was enough to justify a judicial denial of the jurisdiction of equity. What he did do on that point, was to submit that question to the consideration of the Court, in a single paragraph, in which the strongest sentence was the following: "Want of equity jurisdiction, in a case of alleged infringements of patents, where the things covered

by the patents have never been used or sold by the patentees or under their authority (which is confessedly the fact of the case at bar), is a view of equity jurisdiction which has much to sustain it, but upon which the courts do not all agree."

But the Aluminum Stopper case did not present the question whether equity has jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs.

The decision in the Aluminum Stopper case comes nearer than any other reported or known decision to constitute a precedent to support the decision of a majority of the Circuit Court of Appeals in this paper bag machine case; but it stops substantially short of being such a precedent, because it did not involve the element of length of non-use or the element of unreasonability of non-use, which elements are both involved in this paper bag machine case.

The element of length of non-use is involved in this paper bag machine case, because the patent upon which this case is based, was granted April 28, 1896, to the Eastern Paper Bag Company itself, and because the suit against the Continental Paper Bag Company was not brought until five years and a half later, in October, 1901, and because the complainant held the invention in non-use throughout all those years; and indeed, has continued to hold the invention in non-use until the present time, except that in 1903, it built one machine in accordance with the patent for the purposes of this litigation, though even that machine has never been used commercially, and probably never will be. This fact of non-use and length of non-use is clearly deducible from the record, and is entirely undisputed. The written opinion of

the majority of the Circuit Court of Appeals includes the statement that "The machine of the patent in suit is mechanically operative, as was shown experimentally for the purpose of this suit, but it has not been put into commercial use." Transcript of Record, Vol. VIII, page 4, lines 14 to 16. And the dissenting opinion of Judge Aldrich contains the following statement: "In reply to the oral argument of the appellant upon the question of non-use, counsel for the appellee said, "We do not make these machines because we did not need them. We hold the patent to control." Transcript of Record, Vol. VIII, p. 9, lines 15 to 18.

The element of unreasonability of non-use in this case is really as clear as the element of length of non-use, but it may perhaps be disputed by the counsel for the respondent. But any denial of the existence of that element must be based upon a particular construction of the facts, rather than upon the facts themselves; because the facts themselves are proved and are undenied and are undeniable. Thus while counsel for the petitioner may take the ground that the non-use was unreasonable, counsel for the respondent may take the ground that the non-use was reasonable, while those counsel base their opposite conclusions upon the same state of facts. But on this issue between counsel for the petitioner and counsel for the respondent, all the judges for the Circuit Court of Appeals, agreed with the counsel for the petitioner. This statement is proved, in respect of Judges Lowell and Colt, by the following sentence in the opinion of the majority of the Circuit Court of Appeals, namely: "No reason for the non-user appears in the evidence, so far as we can discover." Transcript of Record, Vol. VIII, page 4, lines 16 and 17. And Judge Aldrich in his dissenting opinion said that the patent in suit had been "deliberately held in non-use for a wrongful purpose." Transcript of Record, Vol. VIII, page 5, line 4.

Broadnax v. Central Stockyard Co., 4 Fed. Rep., 214, 1880, was decided by Judge Nixon, who was then United States District Judge for the District of New Jersey. Judge Nixon decided the case against the patent, on the ground that the defendant had not infringed it. But instead of contenting himself with reaching and announcing that judicial conclusion, he also inserted in his written opinion a statement that the defendant had based some argument in opposition to the complainant's patent on the fact that the complainant had never put his invention into practical use. Judge Nixon overruled this contention by saying, "This is not the law, where the patentee is a citizen of the United States." This statement of the Court is an allusion to the fact that the patent Act of 1832 provided that a certain class of aliens might obtain United States patents, who had theretofore been excluded from that privilege; but that statute coupled with that provision an enactment that such a patent should be forfeited, in case of failure on the part of the patentee to introduce the invention into public use in the United States within one year from the issuing of the patent, or in case of a discontinuance of such public use for any period of six months. This statute of 1832 was repealed in 1836, and no later statute has ever contained any similar provision; but Judge Nixon's allusion to that old law, indicates that the defendant in the case before him, had contended that the non-use by the complainant of his invention had operated to forfeit his patent. Judge Nixon met this argument not only by a statement that such was not the law where the patentee is a citizen of the United States, but also by a quotation from a decision of Judge Woodruff to the effect that a patentee is not bound by law to practice his invention in order to preserve his patent. Judges Woodruff and Nixon were clearly right in so holding. But it is also clear, that the fact that a patent is not forfeited by non-use of the in-

vention covered thereby, does not show or tend to show that long, uniform and unreasonable non-use does not operate to disentitle the patentee to invoke the jurisdiction of equity, and to relegate him to courts of common law, when suing defendants for alleged infringements.

Consolidated Roller Mill Co. v. *Coombs*, 39 Fed. Rep., 803, 1889. This case was decided by Judge Henry B. Brown when he was district judge for the Eastern District of Michigan. It did not involve the question of whether equity has jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long and always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs. So far from holding his invention in non-use, the complainant derived its sole profit from its patent, by licensing others to use the patented machine, 39 Fed. Rep., 807, line 1. It is very plain that a patentee is not chargeable with non-use of the invention covered by his patent, where he adopts the plan of granting licenses to others to make and use specimens of his invention, any more than where he adopts the plan of making and selling speciments of his invention himself, to be used by those to whom he sells them. Both those plans of enjoying the monopoly of a patent are equally legitimate. Sometimes one and sometimes the other is best adapted to make the invention beneficial to the art to which it belongs, and no patentee who adopts either of those plans is chargeable with non-use of his invention.

Campbell Printing Press Co. v. *Manhattan Ry. Co.*, 49 Fed. Rep., 930, 1892. This case was decided by Judge Lacombe, holding the United States Circuit Court for the Southern District of New York. The patent in suit covered a valve mechanism usable in air brake couplings and used by the defendant Railway Company on three hundred and twenty-two locomotives. The defendant

admitted the validity of the patent and its own infringement thereof, and the complainant's title thereto, but objected to an injunction on the ground that the complainant demanded a license fee for its use, which the defendant thought to be too high, while expressing a willingness to pay for its use of the invention, whatever sum might be assessed against it by a Master in Chancery and approved by the Court. Judge Lacombe stated the defendant's contention to be, that "when a patentee asks a price for the use of his patent, higher than the users wish to pay, and refuses to license his patent except at such a price, it may be confiscated and sold to whoever wants it, at a price to be fixed by the United States Circuit Court." Of course Judge Lacombe overruled this contention, but in so doing, he did not decide any point having any relevancy to the first question of law involved in this paper bag machine case, because that question relates to long, always and unreasonably holding an invention in non-use, instead of making it beneficial to the art to which it belongs; whereas the complainant in the case before Judge Lacombe instead of holding its invention in non-use, was willing and even anxious that the defendant should use it upon the defendant's locomotives, provided only the defendant would pay the complainant's license fee for such use. Moreover, there is nothing in the written opinion of Judge Lacombe to indicate that the complainant was chargeable with any non-use of its invention, and everything in that opinion is consistent with the hypothesis that the complainant was making and selling specimens of that invention to everybody who would buy them.

The foregoing critical explanation of the seven cases cited by the majority of the Circuit Court of Appeals, as the only support for its decision upon the first question of law involved in this petition for a certiorari,

shows six of those cases are quite destitute of relevancy to the point upon which they were cited. And while the single case of the Crown Cork and Seal Co. *v.* Aluminum Stopper Co., has some relevancy to that point, that case is distinguishable in two respects from the proposition which it is cited to support, and each of those respects is so important, as to deprive that case of any proper position as a precedent, to support the conclusion of a majority of the Court.

Judge Aldrich in his dissenting opinion reviews all of the seven cases upon which Judges Lowell and Colt based their conclusion, and shows, perhaps even more elaborately than this brief has thus far done, that not one of those cases can furnish any real foundation for that conclusion.

The brief of the complainant's counsel which was presented to the Circuit Court of Appeals in this case, presumably contains all that the complainant's counsel, Mr. Betts and Mr. Chambers, could say or could cite in support of the jurisdiction of equity in such a case as this. The cases cited in that brief on this point were six in number, including only four of the seven which were afterward cited by the majority of the court on the same point, and including two others which, though thus brought to the attention of the Court, were apparently not thought worth citing by Judges Lowell and Colt. The reasons which caused those judges to discard those two cases, will probably appear from the following explanation of their purport:

Densmore v. *Scofield,* 102 U. S., 375, 1880. The opinion of this Court in this case was written by Mr. Justice Swayne. The only point adjudicated in that decision was that the patent in suit was void for want of invention. Having announced that conclusion, Justice Swayne inserted the statement that "Patents rightfully issued,

are property and are surrounded by the same rights and sanctions which attend all other property." That sentence is the only thing in that case which could have led complainants' counsel to cite the case upon the question of the jurisdiction of equity in this case. But the fact that property in patents is surrounded by the same rights and sanctions which surround other property, does not show or tend to show that equity has jurisdiction of a bill of complaint which is based on the alleged infringement of a paper patent, which has long, always and unreasonably been held in non-use, instead of being made beneficial to the art to which it belongs. For, as was explained by Judge Putnam in his written opinion in this case in the Circuit Court for the District of Maine, the general rules applicable to bills in equity relevant to other property, do not justify the proposition that equity has jurisdiction of such a case as this. Transcript of Record, Vol. VII, page 2622, lines 15 to 23.

Packard v. *Lacing Stud Co.*, 70 Fed. Rep., 66, 1895. This case was decided by the Circuit Court of Appeals for the First Circuit, and the opinion of the Court was written by Judge Putnam himself. It appears in that written opinion that the appellant contended that the patent in suit was a paper patent which had been bought for the purpose of being laid away until such time as it could be brought forth and used on some unlucky rival. Judge Putnam did not say nor intimate that that defense would not be fatal to the bill. Quite otherwise from so saying or holding, Judge Putnam disposed of the defense by saying that it would not be discussed because it was not supported by any evidence of the fact of non-use. 70 Fed. Rep., 67, last five lines.

Thus far this brief has reviewed and critically explained all of the cases cited by the complainants' counsel in the Circuit Court of Appeals to support the com-

plainant's contention on this first question of law, and also all the cases which were cited by a majority of the judges of that Court in favor of the complainant's contention on that question of law. And in so doing, this brief has shown that not even one of those decisions really supports that conclusion, and that only one of them decides any proposition which even resembles the doctrine which it was cited to sustain.

From the foundation of the national government and the origin of the patent system of the United States in the eighteenth century, until this seventh year of the twentieth century, only two other decisions in patent cases have ever been published, which afford any even colorable support to the decision of the majority of the Circuit Court of Appeals, on the first question of law which is involved in this petition for a certiorari; and neither of those two cases appears to have been known to that court, or to the complainant's counsel in that case. Those two decisions are the following:

National Automatic Weighing Machine Co. v. *Daab*, 136 Fed Rep., 891, 1905. The decision in this case was made by Judge Cross, the United States district judge for the District of New Jersey, within two months after his appointment to that office. The suit was based upon the Fairbanks patent, No. 387,285, on an improvement in indicators for weighing apparatus, which was owned by the complainant, the National Automatic Weighing Machine Company, and was to expire three months and two days after the decision of Judge Cross was rendered. The defendant was also engaged in making and selling automatic weighing machines, and was operating under the Magee patent, No. 733,059, of July 7, 1903. The complainant's patent had so short a time to live, that an injunction could not long interfere with the defendant's business. Nevertheless, it appears that the de-

fendant's counsel interposed the non-use of the Fairbanks invention by the complainant as some sort of a defense to the suit, but it does not appear whether that defense was aimed at the prayer for an injunction only, or was aimed at the validity of the patent. If it was aimed at the validity of the patent, it was of course untenable. And if it was aimed at the injunction only, it was also untenable unless the record showed that the non-use of the Fairbanks invention had been long and had been unreasonable. There is, however, an entire absence of any statement or implication to that effect in the report of the case, and therefore that report is destitute of anything to show that Judge Cross decided, or would have decided, the affirmative of his first question, which is now being presented to the Supreme Court.

Moreover he based his decision, not on any argument of his own, but entirely on his erroneous idea that it had been decided in many cases, that non-use of a patented invention was not a defense to an action in equity based on that patent. He supported this statement by citing Fuller *v.* Berger, 120 Fed. Rep., 274, "and authorities there cited." But this brief has already shown that what Fuller *v.* Berger contains on that point was an *obiter dictum* only, and also none of the cases cited in Fuller *v.* Berger really afford any support to that *obiter dictum*. For these reasons, the decision of Judge Cross may be set aside, as being no precedent for the decision of the Circuit Court of Appeals, on this first question of law in this case.

Hoe v. *Miehle Printing Press & Mfg. Co.*, 141 Fed. Rep., 113, 1905. This case was decided by Judge Holt, one of the district judges for the Southern District of New York. In his decision, Judge Holt stated that "The fact that no machine has ever been made and shown to work successfully under a patent, does not prevent the owner of the patent, if it is valid, from restraining

an infringement of it." This remark was not occasioned by any contention that the non-use of the invention of the patent in suit, disentitled the complainant to an injunction; and indeed no injunction was granted in the case. Quite otherwise than this, the remark of Judge Holt was occasioned by the contention of the defendant that the patent was void for want of utility, which contention was based upon evidence which tended to show that the only machine which had ever been built in accordance with the patent, was not practically successful. In this situation of the case, it would have been in point for Judge Holt to say that the fact that no machine had ever been made and shown to work successfully under a patent, did not prove the patent to be void for want of utility; and in so saying, he would have been accurately correct. But when he said that the fact that no machine has ever been made and shown to work successfully under a patent, does not prevent the owner of the patent, if it is valid, from restraining an infringement of it, he inserted an *obiter dictum* in his decision. Moreover, he did not support that *obiter dictum* by any argument, but only by a citation of the case of Bement *v.* National Harrow Co., 186 U. S., 70, and this brief has already shown that that case did not adjudicate any such proposition as that, nor even state any such proposition by way of *obiter dictum.* For these reasons, Judge Holt's decision may also be set aside as irrevalent to the first question of law presented by the present petition for a cerirorari, which question is as follows:

"Does equity have jurisdiction of a bill of complaint which is based on alleged infringement of a paper patent, the invention covered by which has long, always and unreasonably been held in non-use by all the owners of the patent, instead of being made beneficial to the art to which it belongs."

The affirmative of this question of law has never been adjudicated by any United States Court, from the foundation of the Federal government until now, except in the unwilling decision of Judge Putnam in the Circuit Court for the District of Maine, and except in the really unsupported decision of a majority of the Circuit Court of Appeals for the First Circuit, in the present case.

The negative of this question of law can be made to appear to be much more strongly supported by specific precedents and other citations, than can the affirmative; though counsel for the petitioner intends, if the petition for the certiorari is granted, to base his argument on foundations much more comprehensive and conclusive than those specific precedents and citations. Nevertheless, those negative precedents and citations are here brought to the attention of the Court:

Isaacs *v.* Cooper, 4 Wash. C. C., 259, Justice Washington.

Ogle *v.* Ege, 4 Wash. C. C., 584, Justice Washington.

Mott *v.* Bennett, 2 Fisher, 642, Justice Wayne.

Sullivan *v.* Redfield, 1 Paine, 441, Justice Thompson.

Magic Ruffle Co. *v.* Douglas, 2 Fisher, 333, Judge Shipman.

Hoe *v.* Knap, 27 Fed. Rep., 212, Judge Blodgett.

Germain *v.* Wilgus, 67 Fed. Rep., 600, C. C. A., Ninth Circuit.

Campbell Printing Press Co. *v.* Duplex Printing Press Co., 86 Fed. Rep., 331, Judge Swan.

Robinson on Patents, Vol. I, Sec. 43, pages 65-66.

Curtis on Patents, First Edition and Second Edition, Sec. 320; and Third Edition and Fourth Edition, Sec. 406.

Curtis on Patents, was the standard Text Book of the Patent Laws of the United States, for thirty-four years from 1849 to 1883. Its author, unlike the author of Robinson on Patents, was a practitioner of the patent law, as well as a text writer. The first edition of his Text Book was published in 1849, the second in 1854, the third in 1867, and the fourth in 1873. All of these editions treated this subject alike and stated the law to be that a bill for an injunction in a patent case, must state that "the plaintiff, after the issuing of the patent, put his invention into use."

Mr. Betts, the respondent's counsel, himself appears to hold the professional opinion that Curtis was always right on this point of law, for he inserted in the bill of complaint in this very case, a paragraph which was entirely devoted to stating "That after the issuing of said Letters Patent, the said inventions and discoveries were put into use by your orator." Trans. of Rec., Vol. I, p. 3, lines 11 and 10 from the bottom. And this statement was apparently thought to be so necessary to the suit, that the president of the complainant corporation, signed and swore to an oath that it was true of his own knowledge, and appended that oath to the bill. Trans. of Rec., Vol. I, p. 8. But when the evidence came to be taken in the case, no proof of the statement was made; and complainant's counsel admitted in their briefs and in their oral arguments in the Circuit Court and in the Circuit Court of Appeals, that the complainant at the time of the filing of the bill of complaint, had never put into use any invention of the patent in suit. And all the judges of both courts found that invariable non-use to be a fact. The

one machine which was shown to the Court was not built till the second year after the bill was filed, and even it has never been put into commercial use.

Walker on Patents, has never, in any of its four editions, attended to the question whether equity has jurisdiction of a bill of complaint based on alleged infringement of a paper patent, which has always been held in non-use; because the author always thought that question to be too momentous for treatment in a text-book, prior to any adequate treatment thereof by any Federal judge; and because there never was any adequate judicial treatment of the question, except in the dissenting opinion of Judge Aldrich in this case, which opinion is two years later than the last edition of Walker on Patents.

But counsel for the respondent are very well acquainted with Walker on Patents, and are expected to cite in their brief in this case, the first paragraph of Sec. 154 of that book, as stating a view at variance with the present argument of the author. That paragraph is exactly like what is said on the subject to which it refers in the third and the second edition, and substantially like what is said on the subject in the first. The paragraph is as follows:

"A patent right is an absolute, and not a qualified right. During the term of his patent, a patentee may, if he pleases, decline to allow any other person to make, use, or sell the invention which it covers, and at the same time may refrain from making, using, and selling his invention himself." When that statement was published in the first edition, there was but one authority cited to support it, but nine others were decided after that time and prior to the publication of the fourth edition in 1904. The third of these is Good *v.* Deland, 121 N. Y., 8, 1890, the opinion in which was written by Judge Peckham, then one of the judges of the Court of Appeals of New York,

but now one of the justices of the Supreme Court of the United States. The sixth of the nine accumulated cases is Edison Electric Light Co. *v.* Mt. Morris Electric Light Co., 57 Fed. Rep., 644, 1893, the opinion in which was written by Judge Lacombe for the Circuit Court of Appeals for the Second Circuit. In that case Judge Lacombe said that: "Although the owner of a patent may not, thus, without assent on his part, be deprived of his monopoly, he may, of course so conduct himself, as to be no longer entitled to the aid of a court of equity in maintaining it." If that sentence had been inserted immediately after the first paragraph of Section 154 of Walker on Patents it would have shown to everybody that the preceding statement does not involve or imply either the affirmative or the negative view of the question whether long constant and unreasonable non-use of his patented invention, by the owner of a patent *is* such conduct as disentitles him to the aid of a court of equity in maintaining it. *That* is the first question of law upon which the present petition for a certiorari is based.

A decision of that question by this court is a necessary companion of the great decision of a quarter of a century ago in Root *v.* Railway Co., 105 U. S., 189, 1882, which decision settled the great question whether equity jurisdiction in patent cases is based on the doctrine of constructive trusts, or is based on the doctrine of injunctions. In that case, the opinion of the court contains the folowing words:

"An examination of the practice and opinions of the Circuit Courts, undoubtedly shows much diversity, and makes it necessary by a deliberate judgment of this court, to remove the question out of uncertainty, by a settlement upon some basis of principle in harmony with our system of equity jurisprudence."

Those words are as true now, of the first question of law in this case, as they were of the single question of

law in the Root case twenty-five years ago. The decision in the Root case has been a great judicial landmark ever since it was rendered, and has been cited and obeyed hundreds of times by the judges of the lower Federal Courts. If the present petition for a certiorari is granted, the decision of the first question of law therein, which will follow its granting, will likewise be a great judicial landmark, and will remain so for many generations of lawyers and of judges.

It is the professional opinion of the writer of this brief that that question ought to be decided in the negative; and in support of that view, that writer invokes those powerful and elaborate arguments of Judge Aldrich which are set forth in his dissenting opinion in the Circuit Court of Appeals for the First Circuit, and which opinion is printed on pages 5 to 20 of Vol. VIII of the Transcript of Record. This brief may not be extended by any elaborate argument of the petitioner's counsel, as to which way this first question of law ought to be decided. Such an argument may properly be postponed till a final hearing of the case in 1908, but enough may properly be presented to the Court to show that such a final hearing should be granted, and this great first question of law authoritatively decided, in one way or the other.

Possibly the respondent's counsel will oppose the present petition for a certiorari, on the allegation that its real purpose is to delay for a year, the sending of a mandate from the Circuit Court of Appeals, to the Circuit Court for the District of Maine; and thus to delay for a year the enforcement of the injunction which was suspended by the Circuit Court, pending the appeal to the Circuit Court of Appeals, and also delay for a year the taking of the account of profits and damages which was awarded, as incidental to the injunction, by the in-

terlocutory decree of the Circuit Court. But that ground of opposition to the petition to the certiorari, if made by the respondent, will be subject to the following replies:

1. Though the case has now been pending more than five years, nearly four-fifths of that time was occupied by the complainants or by the courts, and only about one-fifth by the defendant-petitioner, as appears from the following calendar of events:

The bill was filed October 11, 1901, and the answer was filed December 2, 1901, which was the very day upon which it first became due. Thereupon the complainant, instead of filing its replication immediately, and proceeding immediately to take its *prima facie* evidence, as it might have done, did not file its replication until January 6, 1902, and did not complete its *prima facie* evidence until August 20, 1902. That replication was a mere formal paper, which might have been filed the next day after the answer; and if the complainant had had a good case against the defendant, and had made proper preparation before beginning the suit, to prosecute the suit, the *prima facie* evidence might have been taken before the end of December, 1901. The complainant having occupied nearly nine months in formal and *prima facie* proceedings, that should have been completed in one, the defendant made all its preparation to meet the complainants' case, and took all its voluminous evidence in chief in eight months and a half, closing on May 8, 1903. The superior diligence of the defendant in the taking of evidence, is indicated by the fact that all the evidence which the complainant took during the nearly nine months through which it might have been taking its *prima facie* evidence, is contained in the 200 pages of Volume I of the Transcript of Record; whereas the evidence in chief which the defendant took during its eight months and a half, from August 20, 1902, to May 8, 1903,

includes the first 835 pages of Volume IV, and the whole of Volumes V and VI of the Transcript of Record. The defendant's evidence in chief being closed on May 8, 1903, the complainant occupied more than ten months and until March 16, 1904, in preparing to take, and in taking its answering evidence. Thereupon the defendant prepared to take and took all its evidence in reply in less than three months, concluding on June 3, 1904. And finally the complainant occupied from June 3, 1904, until June 18, 1904, in preparing to take and in taking its evidence in rebuttal. Thus the time which passed after the filing of the defendant's answer, and before the completion of the taking of the evidence in the case, was more than thirty months, of which nearly two-thirds was occupied by the complainant, though nearly two-thirds of the bulk of the evidence was taken by the defendant.

The evidence being all taken on June 18, 1904, the complainant waited nearly six months before making any effort whatever to bring the case on for hearing in the Circuit Court, and did not in fact bring it on for hearing in that tribunal until February, 1905. The case being heard by Judge Putnam in that month, he held it under advisement, without any decision, until October, 1905, and he did not enter any decree in the case until December 28, 1905. From that decree, the defendant immediately appealed to the Circuit Court of Appeals, and filed the voluminous Transcript of Record in the clerk's office of that tribunal, on February 1, 1906, and brought on the case for hearing before the judges about the middle of April, 1906. Thereupon the three judges held the case under advisement until December 24, 1906. From the decree of the Circuit Court of Appeals of that day, the defendant immediately brought the case to the Supreme Court by the petition for a certiorari, which was filed January 16, 1907.

2. It does not appear that if the petition for a certiorari were to be denied, and if a mandate were thereupon to be sent by the Circuit Court of Appeals to the Circuit, and if thereupon the suspension of the injunction were to end, and if thereupon a writ of injunction were to be issued by the Circuit Court, in pursuance of its interlocutory decree of December 1905, that that writ of injunction would find anything to operate on in the defendant's paper bag factory. Quite otherwise than this, the prophesy is here set down, that such a writ of injunction would not have the slightest effect upon the defendant's doings, because the defendant would not be found making, using or selling, or proposing to make, use or sell, any such machinery as that, upon the using of which the interlocutory decree of December 28, 1904, was based. For this reason, no injunction in this case has or can ever have any inherent importance to either of the parties to the litigation; and the entire practical question is whether, when the interlocutory decree was made on December 28, 1905, the complainant had such a technical right to an injunction, as can support that portion of that decree which provides for a money recovery, and which portion would be undoubtedly invalid under the rule in Root *v.* Railway Co., 105 U. S., if the Circuit Court for the District of Maine as a court of equity had no jurisdiction to order any injunction in the case.

3. The only controversy in the case, in which the parties themselves have any pecuniary or other business interests, comprises the question whether the suit shall be carried forward in the Circuit Court for the purpose of ascertaining and adjudging a money recovery for past infringement on the one hand, or whether, on the other hand, the complainant be relegated to an action at law for the attainment of that end.

That also was the only practical question which was

involved in the case of Root *v.* Railway Co., 105 U. S., 189. In that case this Court held that the suit could not be prosecuted in the Circuit Court for the attainment of a money recovery, and thereby this Court practically relegated the complainant to an action at law for that purpose. That decision operated to work a particular hardship in that case, which a corresponding decision in this case would not produce; because the rights of action upon which the case of Root *v.* Railway Co. was based, though not barred by any statute limitation when that suit was brought, were all barred by a statute limitation when that suit was decided by this Court, whereas none of the rights of action for a money recovery, which the respondent in this case may have against the petitioner, for infringement of the patent in suit, are yet old enough to be barred by any statute of limitation; the alleged infringement having been begun less than six years ago, and the applicable statute of limitation being the last sentence of section 4921 of the Revised Statutes of the United States, as that section was amended by the Patent Act of March 3, 1897.

4. If the petitioner had been desirious of delaying this litigation as long as possible, rather than desirous of bringing it as soon as possible to a final and authoritive conclusion, that end could have been attained without filing the present petition for a certiorari, to a greater extent than by any program which would include such a petition. A plan to attain that greater delay, might have comprised the following parts:

Omitting to file the present petition for a certiorari. Omitting to oppose the immediate sending of a mandate from the Circuit Court of Appeals to the Circuit Court. Omitting to do anything contrary to a writ of injunction which might be issued in pursuance of that mandate. Omitting to do anything to hinder the complainant in try-

ing to prosecute before the Master of Chancery its claim for money recovery on account of past infringement. Subjecting any report that the Master might make on that subject, to all proper criticisms in the Circuit Court. Appealing from the Circuit Court to the Circuit Court of Appeals from any final decree for any money recovery which the Circuit Court might make in pursuance of a Master's report. Applying to this Court for a writ of certiorari, directed to the Circuit Court of Appeals, and requiring it to send all the questions in the case, including the question of the jurisdiction of equity, to this tribunal for review and final decision.

Such a program as that would occupy at least six years, and if this Court thereupon decided that equity never had any jurisdiction of the controversy, the result would be an ultimate reversal of whatever decree the Circuit Court might have made for a money recovery, and a dismissal of the complanant's bill, and a judgment against the complainant for all the costs that would have been incurred during the whole litigation of at least twelve years. By the end of that time, all the rights of action upon which the bill was originally based, would be barred by the statute limitations, and could therefore never be made the subject of an action at law for their recovery. For these reasons, it is apparent, that the present petition for a certiorari is not a dilatory doing, but is being prosecuted in good faith for the purpose of attaining as soon as practicable, an end to the suit, without any sacrifice of any right of either party.

5. This defense of want of jurisdiction in equity, was expressly interposed in the defendant's original answer in the following paragraph:

"The defendant says on information, advice and belief, that a court of equity has no jurisdiction to grant any prayer of the bill of complaint; even if the said Liddell

patent, No. 558,969, were valid; and even if the defendant's paper bag machines were to be held to infringe that patent; because the said patent, No. 558,969, is a mere paper proposition which the complainant has never put into effect or use; and because it is contrary to equity to suppress a useful and established business, like that which the defendant is prosecuting with its paper bag machines, at the request of a complainant which simply owns one paper bag machine patent that has never been employed by that complainant in any way in any paper bag machinery; and because the complainant in this case has a plain, adequate and complete remedy at law for any infringement which may have been done upon said Liddell letters patent, No. 558,969."

Non-jurisdiction of equity was also the heading of one of the divisions of the defendant's brief in the Circuit Court, and was supported by an earnest oral argument in that tribunal. It was also supported by an oral argument in the Circuit Court of Appeals; and the foundation upon which it is based was stated in that portion of the defendant's brief in the Circuit Court of Appeals, which is quoted in the dissenting opinion of Judge Aldrich, Transcript of Record, Vol. VIII, page 9.

Thus it appears that the complainant-respondent has been prosecuting this case more than five years, and ever since the defendant's answer was filed, with express and repeated notice of the defense of non-jurisdiction of equity. Moreover the complainant's counsel well knew when beginning the suit, that Judge Putnam, the presiding judge in the Circuit Court in which the suit was brought, had already substantially committed himself to the opinion that equity has no jurisdiction of such a suit; for Mr. Frederic H. Betts, the senior counsel for the complainant, the Eastern Paper Bag Company, and Mr. Francis T. Chambers, his associate, were both counsel in the case of the New York Paper-Bag Mach. & Mfg. Co.

v. Hollingsworth & Whitney Co., 56 Fed. Rep., 225, 1893, in which Judge Putnam filed a concurring written opinion, of which the following is a copy:

"If the Record in this case is to be opened, I agree with the conclusions of the majority of the Court, but as the patentees have never made any use of their alleged invention, nor attempted to do so, nor permitted its use by others, nor given an explanation of the non-user, or any reason for it, I doubt whether the case submitted is not one of a mere legal right, and whether the complainant should not be left to its remedy at common law, if entitled to any relief at all."

The reporter of the Hollingsworth & Whitney case, inserted before his copy of the opinion of the court, a parenthetical clause to the effect that the writer of the present brief was counsel for the appellant in that case. But that insertion was an error, because the writer had voluntarily and entirely disconnected himself with that case some months before it was argued in the Circuit Court of Appeals, and he never took any ground in that case, or any other case, which is inconsistent with any position he ever took or is taking in this case.

Thus it appears that if this petition is granted, and if the Supreme Court, after hearing the case when reached on the call of its docket, shall decide that the Circuit Court must be directed to dismiss the bill for want of equity jurisdiction, the complainant can never contend that it did not have abundant warning of that result, ever since the defendant's answer was filed. And the defendant's counsel can never contend that they did not have abundant warning of that result, ever since Judge Putnam wrote and filed his concurring opinion in 1893, in the case of the New York Paper-Bag Mach. & Mfg. Co. *v.* Hollingsworth & Whitney Co., 56 Fed. Rep., 225.

The practical inexpediency of litigating such a controversy as this in an action in equity, instead of in an

action at common law, is indicated by the following facts and considerations:

1. A careful estimate of the money which has been expended in this suit during the sixty-four months which have passed since it was begun, has resulted in a conclusion that that money has amounted at least $80,000. If this petition is denied, the defendant will thereafter have no means by which to stop a long process of litigation in the future, which process will consist in taking elaborate evidence before the already appointed Master in Chancery *pro hac vice;* and in his draft report; and in exceptions to his draft report; and in his final report; and in exceptions to his final report; and in bringing on that final report for argument, on those exceptions, before the Circuit Court; and in reaching and formulating the decision of that court, on those exceptions; and in an appeal to the Circuit Court of Appeals, from whatever decree is rendered in the Circuit Court in pursuance of the Master's report; and in arguing that appeal in that tribunal; and in a decision of that appeal by that tribunal; and in a petition to this court for a writ of certiorari to bring the whole Record thus swollen, into this tribunal for review.

No one who is adequately acquainted with the history of such proceedings in other cases, can reasonably estimate at less than six years, the time occupied by that course of proceedings, which must intervene between the supposed denial of the present application for a writ of certiorari, and the application for a writ of certiorari which would surely be made at the end of those proceedings, and no such person can reasonably estimate the expense of that litigation at less than $60,000. As a precedent for this estimate, it may be mentioned that the attorney for the present petitioner applied more than four years ago, to this Court for a certiorari to the Circuit Court

of Appeals for the Eighth Circuit, in the case of the Lanyon Zinc Co. *v.* Brown, and that application being denied, the resulting injunction found no infringement to operate on, and the accounting which followed, has now been going on for four years, and has not yet even reached as far as a Court decree. And it may also be properly mentioned that the accounting on the Cawood patent, was pending in the Circuit Court for the Northern District of Illinois, and in this court, for nearly twenty years after the interlocutory decree, finding validity and infringement, was made in the Circuit Court; and that Mr. Betts, one of respondents' counsel in this case, was counsel in the Brickill case, in which the accounting occupied twenty-one years without going further than from an interlocutory decree of the Circuit Court for the Southern District of New York, to a decision of the Circuit Court of Appeals for the Second Circuit, setting aside all that had been done during those twenty-one years on the ground that it had proceeded on a wrong theory. 112 Fed. Rep., 65, 1901.

2. If the complainant in this case had brought an action at common law, instead of an action in equity, for alleged infringement for its non-used paper patent, the question of the validity of that patent, and the question of the infringement of the defendant's machines, and the question of money recovery, could all have been tried and adjudicated within a year. If that adjudication had resulted in favor of the plaintiff, the defendant would probably have discontinued its alleged infringement in order to avoid further actions at law, and would have long ago paid whatever judgment might have been awarded against it for infringement already committed. The whole litigation need not have cost the parties more than $10,000, instead of the $80,000 which this action in equity has already cost.

This difference between the practical operation of an action in equity and an action at common law, in such a controversy as this, illustrates the wisdom of the seventh amendment to the Constitution of the United States, which sought to preserve the right of trial by jury in those civil cases, which meritoriously involve nothing but questions of amounts of money recoveries; and illustrates also the wisdom of the sixteenth section of the Judiciary Act of 1789, which provided and still provides that "Suits in equity shall not be sustained in either of the courts of the United States in any case where a plain, adequate and complete remedy may be had at law" (R. S., 723).

An enormous amount of money and energy has already been expended in this action in equity. It was a serious misfortune to the complainant that one or both of the other judges of the Circuit Court of Appeals for the First Circuit did not agree with Judge Aldrich in holding that the suit ought to be dismissed for non-jurisdiction of equity over the controversy. For in that event, the complainant would presumably have abandoned further prosecution of the suit, and brought an action at law, as it should have done in the first instance, if it was going to bring any action. But now the best fortune that the complainant can get would result from a decision of the Supreme Court to grant the petition for the certiorari, and from a subsequent reversal of the decree of the Circuit Court of Appeals, so as to end this action in equity in 1908.

The petitioner-defendant would also be benefited by the granting of the petition, because that granting would at least temporarily suspend the heavy expenses of the litigation; and because the reversal of the decree of the Circuit Court of Appeals, which might result from granting the petition, would put a permanent period to a chancery suit, which has already lasted more than five

years, and which unless stopped by the Supreme Court, must apparently continue to last for many years in the future, and indeed perhaps almost as long as the ancient case of Jarndyce *v.* Jarndyce.

The justices of the Supreme Court will wonder why the parties to this suit have already expended $80,000 in this litigation and are still continuing the struggle with all their might. The Record contains evidence enough to dissipate this mystery, and the mystery will be dissipated by critical exposition of that evidence whenever the Supreme Court consents to hear the case. But on that question, the present is a time for pleading, rather than a time for proof, and accordingly, the respondent submits the following statements:

The suit was originally brought, and has always been prosecuted, as a part of such a "combination in restraint of commerce among the several states" as would have been clearly illegal under the Sherman Anti-Trust Law, if it had not been based upon letters patent for inventions. That "combination in restraint of commerce" was instituted in Wall Street by the organization, about 1899, of a New Jersey corporation, named the Union Bag & Paper Company, and having a capital of $27,000,000, the stock in which has nearly or quite ever since, been the subject of speculation in the New York Stock Exchange. The purpose of that organization of the Union Bag & Paper Company, was to purchase all the paper bag patents and factories, of any importance, in the United States, and thereupon to maintain the prices of paper bags at rates high enough to enable the Union Bag & Paper Company to pay large dividends upon its enormously inflated and diluted capital stock.

Soon after that combination in restraint of interstate commerce was made, the Continental Paper Bag Company was organized for the purpose of competing with the proposed monopoly in the paper bag manufacturing

business. In the fall of 1901, that competition had already become so extensive and appeared to be so dangerous, that this suit was brought against it for the purpose of breaking up the business of the Continental Company, and thus suppressing its competition, by means of a writ of injunction. The Union Bag & Paper Company, not owning any patent upon which any suit could be brought against the Continental Company with any plausibility, that Company took the Eastern Paper Bag Company into the combination in order to base such a suit upon the Liddell patent, which was the property of the Eastern Paper Bag Company. In pursuance of that plan, this suit was brought, nominally in the name of the Eastern Paper Bag Company, but the heavy expenses which have been incurred in prosecuting the suit, have been paid by the Union Bag & Paper Company. If this scheme of the Union Bag & Paper Company could have been made to work, that corporation would have been able, and presumably would have been willing, to receive from the people of the United States from $800,000 to $1,000,000 per year extra profit upon the paper bags made and sold by it. And the owners of the preferred and the common stock of that corporation, would have been able to sell that stock to the public, at much larger prices than they could otherwise do.

The motive of the Continental Paper Bag Company in resisting the prosecution of this suit, has comprised the desire of the officers, stockholders and directors of that corporation to save their business from temporary loss, and has included their willingness to be instrumental in defeating the scheme of the Union Bag & Paper Company to extort from the people of the United States a million dollars a year extra profit on account of having organized and maintained that "combination in restraint of commerce among the several states" which was inaugurated by the organization of the Union Bag & Paper

Company, and which was carried forward by taking the Eastern Paper Bag Company into that combination.

The practical working of the Union Bag & Paper Company scheme has thus far been so disappointing that the preferred stock in that corporation now sells and has long sold on the Stock Exchange for less than sixty cents on the dollar, while its common stock now sells and has long sold for less than ten cents on the dollar. For the competition of the Continental Paper Bag Company has now grown so great as to amount to making and selling fully one-half as many paper bags as those made and sold by the Union Bag & Paper combination. But if this petition for a certiorari is to be denied, it is to be expected that that denial will be used in Wall Street as a means of artificially advancing the quotations of the Union Bag & Paper Company's stock.

On the other hand, if the present petition for a certiorari is granted, and if on the subsequent hearing and consideration of the case by this court, the voluminous Record is thoroughly examined, the court will encounter a question of law which will be open to the court to consider and decide. That question of law is properly formulated as follows:

"Will a court of equity take jurisdiction of a bill of complaint which is based upon alleged infringement of a patent, where the object of the suit is to obtain a writ of injunction to be used as a part of a combination in restraint of commerce among the several states."

This question differs from the question which was decided in the case of Bement *v.* National Harrow Co., because that question was confined to the validity of contracts made between patentees, with a view to restraint of interstate commerce, and did not include the idea that when patentees have made such contracts, they are entitled to obtain writs of injunction from courts of equity

to enable them to enforce upon the public the schemes which are embodied in those contracts.

Where a number of patentees make a combination among themselves, in restraint of interstate commerce, the Bement case decides that neither of them is entitled to repudiate the contract which he signed, to constitute the combination. But that case did not decide, and this court probably never will decide, that such patentees are entitled to enforce their non-ethical schemes against the public, by means of writs of injunction.

Second Question of Law.

The second point of law upon which this petition is based, is formulated as follows, in section VII of the petition:

"Where the patent sued on is not a pioneer patent, and does not embody a primary invention, but only an improvement on the prior art, and defendant's machines can be differentiated, the charge of infringement cannot be maintained."

This proposition of law was plainly applicable to this case, for the patent sued on, so far from being a pioneer patent and embodying a primary invention, was confessedly preceded by nineteen other patents on machines for doing exactly the same work, hundreds of which prior machines, of several different kinds had been doing that work commercially and extensively in the United States for many years before the patent in suit was applied for. Those nineteen prior patents comprise all the patents in Vol. V of the Transcript of Record, except the first two and the last four, and except the Crowell patent on page 369 of that volume.

So also, if this point of law had been applied to this case, it would have resulted in a decision in favor of the

defendant, because it is entirely undeniable that the defendant's machine "can be differentiated" from the complainant's patent. All those parts which belong to any of the three claims found to be infringed, are analytically depicted in the middle column of Defendant's Drawing No. 8, on page 27 of Vol. VI, of the Transcript of Record; and those parts of the defendant's machine which were found by the Circuit Court and by the Circuit Court of Appeals to infringe those three claims, are analytically depicted in the right-hand column of the same drawing.

The mechanical expert, Wilbur M. Stone, in his first deposition in the case, after making an elaborate comparison of the complainant's patent with the defendant's machines, Trans. of Rec., Vol. IV, p. 237, Qs. 36-60, was asked to set forth a comprehensive summing up of that comparison. In reply to that request, Mr. Stone made an answer which occupied more than a page of the Record, and concluded with the statement that the defendant's "combination is substantially different, as an entirety and in detail, and in construction, mode of operation, and merit, from the combination of claim 1, claim 2, or claim 7, of the Liddell patent, No. 558,969, and from the Liddell combination of all the elements in those three claims." Trans. of Rec., Vol. IV, p. 257, Q. 61.

The fact that the complainant's machine "can be differentiated" from the complainant's patent, is so plain and so undeniable that it is not debatable. Indeed, the differences between the defendant's mechanism and those parts of the complainant's patent which are attended to in the claims found to be infringed, are so important, that they caused the Patent Office to allow twenty claims on those differences, in the Claussen patent No. 598,497, under which and in accordance with which, the defendant's machines were constructed. A copy of that Claussen patent occupies pages 478 to 499 of Vol. V of the Record, while a copy of the Liddell patent, found to be

infringed by the defendant's machines, occupies pages 468 to 476 of the same volume. If any of the justices of the court will turn to those two copies, and look a few minutes upon their drawings, they will see that they have no apparent similarity in structure. And if thereupon they will compare the claims of the two patents, they will find them also to be almost entirely dissimilar. And if they should then analyize the descriptive part of the specifications of the two patents, they will find that they are hardly alike in anything, except that the Liddell patent purports to be able to accomplish a part of the manufacture of paper bags, which purports to be entirely accomplished by the machine of the Claussen patent.

Having thus shown that this second point of law is plainly applicable to this case, and that its application thereto would necessarily result in a decision of the case in favor of the petitioner; it is now in order to support the soundness of this second point of law, by reference to the twelve Supreme Court decisions in which it has been established and applied.

The proper formulation set forth in section VII of the petition for a certiorari, is a substantially *verbatim* copy of the first paragraph of the syllabus, of the case of the Kokomo Fence Machine Co. *v.* Kitselman, 189 U. S., 1903. The unanimous opinion of the Supreme Court in that case, was delivered by Chief Justice Fuller; and the first paragraph of the syllabus accurately states the fundamental point of law upon which that opinion was based. That fundamental point of law is much older than the Kokomo case. Though it presumably resided in the breasts of the judges from the beginning of the patent laws of the United States in the eighteenth century, it was first formulated and applied in the case of McCormick *v.* Manny. That case was argued before Justice McLean and Judge Drummond, holding the Circuit Court for the Northern District of Illinois, in September, 1855. The

counsel present for McCormick were Reverdy Johnson and Edward N. Dickerson, and the counsel present for the defendant were Abraham Lincoln, Edwin M. Stanton and George Harding.

When recently writing a professional biography of George Harding, the writer of this brief found among his pamphlets, a copy of the opinion of the court, which Justice McLean filed in that case in January 1856. In that written opinion, Justice McLean explained that the suit was based upon a patent, which claimed that part of the McCormick reaper which is called the divider, because it projects forward from the outer end of the sickle bar, and separates the grain to be cut from the grain to be left standing; and Justice McLean announced the decision of the court to be that the defendant's divider did not infringe that claim, because the prior art contained several dividers, which though not near enough like the McCormick divider to negative its patentability, did perform the same function as the McCormick divider, and therefore narrowed the McCormick patent enough to negative the charge of infringement.

This was the first judicial application of the doctrine that while pioneer patents on primary inventions are entitled to be construed broadly, secondary patents on later inventions for doing the same work, should be construed narrowly, and should not be permitted to cover still later inventions, which can be differentiated therefrom.

It is not known to what extent this doctrine of the patent law was suggested to Justice McLean by Mr. Lincoln, Mr. Stanton or Mr. Harding. For although Mr. Lincoln prepared an elaborate written argument on behalf of the defendant, that paper is not known ever to have been printed, and it probably was not preserved by him; and no printed brief or printed report of the argument of Mr. Stanton or Mr. Harding was found among Mr. Harding's papers or is known to be in existence.

From the decision of Justice McLean and Judge Drummond in the case of McCormick *v.* Manny, McCormick appealed to the Supreme Court, but when the case was reached in this tribunal for argument in the December term of 1857, the defendant Manny had died, and the case was thereafter known as

McCormick v. *Talcott*, 20 Howard, 402, 1857.

Mr. Lincoln did not appear as counsel in the Supreme Court in this case, but all the other counsel who had appeared before Justice McLean and Judge Drummond, took part in the argument in this tribunal, and undoubtedly presented to the Court the strongest arguments against and for that doctrine of the distinction between primary patents and secondary patents, which had been made the foundation of the decision of Justice McLean and Judge Drummond in the Circuit Court. All the justices of the Supreme Court, except Justice Daniel concurred in affirming that decision and in also affirming the opinion of the Circuit Court; and Justice Grier inserted in the written opinion of this court, the following paragraph, defining the breadth and the narrowness of construction which should be given to primary patents and secondary patents respectively.

"If he be the original inventor of the device or machine called the divider, he will have a right to treat as infringers all who make dividers operating on the same principle, and performing the same functions, by analogous means or equivalent combinations, even though the infringing machine may be an improvement of the original, and patentable as such. But if the invention claimed be itself but an improvement on a known machine by a mere change of form or combination of parts, the patentee cannot treat another as an infringer who has improved the original machine by use of a different

form or combination, performing the same functions. The inventor of the first improvement cannot invoke the doctrine of equivalents to suppress all other improvements, which are not mere colorable invasions of the first."

But Justice Daniel wrote and filed an elaborate dissenting opinion, in which he took the ground that the doctrine of primary patents and secondary patents was all wrong, and that all valid patents should be construed without any regard to the prior art.

When this paper bag machine case was argued in the Circuit Court before Judge Putnam, complainant's counsel discarded, without mentioning it, the doctrine of the majority of the Supreme Court in the case of McCormick *v.* Talcott, and adopted as their own, without mentioning it, the dissenting opinion of Justice Daniel in that case. And for some reason, Judge Putnam also adopted, without mentioning it, the dissenting opinion of Justice Daniel as his own, and he entirely ignored in his written opinion, the decision of the majority of the court in the case of McCormick *v.* Talcott, and also ignored every one of the eleven later decisions which the Supreme Court has rendered to the same effect. The opinion of Judge Putnam upon this issue of law, was clearly stated by him in the following paragraph:

"The respondent insists that the Liddell patent was the twentieth in the line of patents in this special branch of the art. This proposition however, does not assist us, because no matter how many may have preceded Liddell, his is marked by a peculiar feature of novelty which distinguishes it from all that went before it." Trans. of Rec., Vol. VII, p. 2623, lines 12-16.

This opinion of Judge Putnam is identical with the dissenting opinion of Justice Daniel in the case of McCormick *v.* Talcott; for after correctly stating that it was conceded that the patent then before the court was valid,

Justice Daniel said that "This concession necessarily renders improper any and every comparison between that invention, and previous claims to discovery and improvement having in view the same results."

When this paper bag machine case was argued on appeal in the Circuit Court of Appeals, the brief for the defendant particularly pointed out and explained that Judge Putnam's decision on this question of law was identical with the dissenting opinion of Justice Daniel, and diametrically opposite to the opinion of all the other judges of the Supreme Court in the case of McCormick *v.* Talcott. Galley proofs of that brief were furnished to the complainant's counsel as fast as it could be written and put into type, and complete copies of that brief were furnished to the complainant's counsel several weeks before the case was argued in the Circuit Court of Appeals. But the elaborate brief which complainant's counsel filed in reply to the defendant's brief was totally destitute of any attempt to reply to the defendant's explanation of this subject, and the elaborate oral arguments which were made by complainant's counsel in open court, did not even mention the case of McCormick *v.* Talcott.

So also the majority of the Circuit Court of Appeals, in its written opinion ignored the decisions of this Court in the case of McCormick *v.* Talcott, and took a view of the law, which when analyzed, will be found to be identical with that of the dissenting opinion of Justice Daniel, in that case. The whole of the written opinion of the majority of the Circuit Court of Appeals upon this question of law, consists in the following two sentences:

"This breadth of claims would imperil the patent were the real invention less broad, but the defendant has not pointed out, and we have been unable to find any operative combination of a rotary cylinder and a forming plate oscillating thereon, earlier than the patent in suit. If, therefore, the patent is valid, it has a wide scope."

This statement is equivalent to saying that any patent which is not void for want of novelty, has a wide scope, or at least as wide a scope as its claims can be made to appear to cover. Thus for some reason, Judge Lowell in speaking for the majority of the Circuit Court of Appeals in this case, followed Judge Putnam in adopting without mentioning it, the dissenting opinion of Justice Daniel in the case of McCormick *v.* Talcott, and in ignoring the opinion of the other justices of this tribunal, which latter opinion was the foundation of the decision of this court in that case.

The rule of law which was thus established by this court in the case of McCormick *v.* Talcott, nearly half a century ago, has never been discarded or even questioned in any written opinion of this tribunal which has been published since that time, nor even in any dissenting opinion which has been filed by any of the justices of this court. On the contrary, that rule of law has been announced in various forms, and applied to various patents, by this court in eleven different cases later than McCormick *v.* Talcott, of which eleven cases, the following is a list and brief explanation:

Railway Co. v. *Sayles,* 97 U. S., 554, 1878. The writer of this brief, was one of the counsel for the complainant-appellee in that case. Those counsel took the ground that the Tanner car brake patent in suit was entitled to construction broad enough to cover the Stevens car brake, because the Tanner brake, being the first to perform the function performed by it, was a primary invention, and the Tanner patent was therefore a pioneer patent. But the Supreme Court held the Tanner patent to be a secondary patent, and therefore narrowed its construction enough to negative its infringement by the defendant, and thereupon reversed the decision of Judge Drummond. This finding of the Supreme Court that the Tanner patent was a secondary patent, was based

upon two prior car brakes which Judge Drummond had held were not in the prior art, because they were unsuccessful and had been abandoned, but which the Supreme Court held were in the prior art, because they had been used long enough to show that they could perform the same function as that of the Tanner brake.

The opinion of the Supreme Court in this case was delivered by Justice Bradley, and his exposition of the same doctrine which Judge Grier had explained in the case of McCormick *v.* Talcott, is contained in the last five lines of page 556 and the first seven lines of page 557 of 97 U. S.

Duff v. *Pump Co.*, 107 U. S., 639, 1882. The decision in this case was delivered by Justice Blatchford, and he affirmed the decision of the Circuit Court for the Northern District of Illinois, on the authority of the case of Railway Co. *v.* Sayles, and on the stated fact that the inventor to whom the patent in suit had been granted, was not a pioneer in the art, but had merely devised a new contrivance to accomplish the same result that had been accomplished by prior inventions.

Morley Machine Co. v. *Lancaster,* 129 U. S., 263, 1889. The opinion of the Supreme Court in this case was delivered by Justice Blatchford, reversing a decision of the Circuit Court for the District of Massachusetts, and affirming the doctrine of the difference between the proper broad construction of primary patents and the necessarily narrow construction of secondary patents, which had been established in the cases of McCormick *v.* Talcott and Railway Co. *v.* Sayles, and also quoting the expositions of that doctrine, which had been given by Justice Grier and Justice Bradley in those cases respectively, which quotations begin with the last line of page 273 and continue to the end of page 274 of 129 U. S.

Pope Mfg. Co. v. *Gormully Mfg. Co.*, 144 U. S., 242, 1892. The opinion of the court in this case was delivered

by Justice Brown, and though it does not contain any elaborate discussion of the doctrine of primary and secondary patents, it applies that doctrine to the case, by holding that the patent in suit was limited to narrow ground, by a prior art which was not near enough like it to defeat its novelty, 144 U. S., 242, lines 15 to 21.

Sessions v. *Romadka,* 145 U. S., 45, 1892. The decision of the court in this case was also delivered by Justice Brown, in which decision he applied the doctrine of the distinction between pioneer patents and secondary patents in respect of broad and narrow construction by saying that "In view of the fact that Taylor was a pioneer in the art of making a practical metallic trunk fastener, and invented a principle which has gone into almost universal use in this country, we think he is entitled to a liberal construction of his claim." 145 U. S., page 45, lines 3 to 7.

Knapp v. *Morss,* 150 U. S., 230, 1893. The decision of the Court in this case was delivered by Justice Jackson. That opinion reversed the decision of the Circuit Court on the express ground that the patent in suit was not a pioneer invention, coupled with the statement or implication, that if it had been a pioneer invention, it would have been entitled to that broad construction which it had received in the court below, and to a consequent judgment of infringement by the defendant. Justices Brown and Shiras dissented from the decision of the court in this case, on the ground the difference between the defendant's mechanism and the complainant's patent was too slight to support a conclusion of non-infringement, on *any* construction of the complainant's patent, however narrow that construction might be; but Justices Brown and Shiras did not say anything in their dissenting opinion derogatory to the doctrine that primary patents are to be construed broadly, while secondary patents are to be construed narrowly.

Miller v. *Eagle Co.*, 151 U. S., 204, 1894. The opinion in this case was also delivered by Justice Jackson, reversing the decision of the Circuit Court for the Southern District of Iowa, on the ground of non-infringement of the first of the patents in suit, and stated the law to be that "The range of equivalents depends upon the extent and nature of the invention," and that "If the invention is broad or primary in its character, the range of equivalents will be correspondingly broad," and that "Tested by this rule, Wright cannot be treated as a pioneer in the art;" and that "Neither can he nor his assignee, be allowed to invoke the doctrine of equivalents, such as the courts extend to primary inventions." 151 U. S., 207.

Boyd v. *Janesville Tool Co.*, 158 U. S., 267, 1895. The decision in this case was delivered by Justice Shiras, affirming the decision of the Circuit Court for the Western District of Wisconsin. As the foundation for this decision, Justice Shiras wrote the following clear exposition of the doctrine of the difference between the broad construction due to patents on inventions which are the first to accomplish particular results, and the narrow construction due to patents on inventions of new means for accomplishing old results:

"Doubtless if the Boyd patent contained an invention entirely new, and first adapted to the end sought, such differences might be regarded as formal and evasive. But, coming as he did in the train of the numerous inventors that had preceded him, whose inventions had been patented and put into practical use, we must conclude that Boyd, if entitled to anything, is only entitled to the precise devices described and claimed in his patent. Of course it follows that if the defendant's specific devices are different from those of Boyd, no combination of such devices could be deemed an infringement of any combination claimed by Boyd."

Dashiell v. *Grosvenor,* 162 U. S., 432, 1896. The decision in this case was delivered by Justice Brown, affirming the decision of the Circuit Court of Appeals for the Fourth Circuit, on the ground that the patent in suit must be narrowly construed, because it had been preceded by several other, though different, inventions for performing the same function. 162 U. S., 432, last seven lines.

Kokomo Fence Machine Co. v. *Kitselman,* 189 U. S., 8, 1903. The opinion of the court in this case was delivered by Chief Justice Fuller, and was concurred in by Justices Harlan, Brewer, White, Peckham, McKenna and Holmes, who still remain upon the bench, as well as by Justice Brown, who has lately retired, and presumably by Justice Shiras, who did not retire until the middle of the month after the case was argued.

It is unnecessary to state the purport of this decision to either of the seven judges who participated in it, and who still remain upon the bench; but it may not be improper to shorten the examination of the case by Justices Day and Moody, to say that the case turned in the Circuit Court for the Northern District of Illinois and in the Circuit Court of Appeals for the seventh circuit, and in the Supreme Court, upon the question whether the patent is suit was a primary patent or was a secondary patent, each of the courts holding that if it was a primary patent it was entitled to a construction broad enough to cover the defendant's machine, but that if it was a secondary patent, it was not entitled to a construction broad enough to cover that machine; and to say that the Circuit Court held that the patent was a secondary patent, and therefore decided the question in the negative, and that the Circuit Court of Appeals held that the patent in suit was a primary patent, and therefore decided the question in the affirmative; and that the Supreme Court decided that the patent in suit

was a secondary patent, and therefore decided the question in the negative.

The question whether the patent in suit in the Kokomo case was a primary patent or a secondary patent, depended on the question whether any or all of several prior patents on other machines, would operate to relegate the patent in suit to a secondary position. The Circuit Court of Appeals held that they could not have that effect, because it found none of them to represent a machine which could perform the function of the machine of the Kitselman patent; Kitselman *v.* Kokomo Fence Co., 108 Fed. Rep., 658, 1901. But the Supreme Court differed from the Circuit Court of Appeals upon that question of fact, and therefore decided that the patent in suit was a secondary patent.

Having found that the Circuit Court in which the case originated, was right in holding that patent in suit to be a secondary patent and not a primary one, the Supreme Court in speaking of the comparative character of the complainant's patent, and the defendant's machine, announced its agreement with the Circuit Court in the conclusion that "the machines lack that identity of means and identity of operation which must be combined with identity of result to constitute infringement." 189 U. S., page 24, lines 14 to 16.

Cimiotti Unhairing Co. v. *American Fur Refining Co.*, 198 U. S., 399, 1905. The decision in this case was delivered by Justice Day, and was concurred in by all the other present members of this court, except Judge Moody, who has come upon the bench since it was decided. The possibility that he may not have examined the case, causes me to venture to call his attention to the paragraph in the middle of page 414, which affirms the decision in the Kokomo case and expressly holds that "where the patent does not embody a primary invention, but only an improvement of the prior art, and

the defendant's machines can be differentiated, the charge of infringement is not sustained."

This quotation from the unanimous decision of this court in the Cimiotti case, is identical in meaning, and almost identical in language, with that formulation of the same point of law which is contained in section VII of the petition for a certiorari in this case, and which is supported in this brief under the head of the "Second Question of Law."

All those twelve Supreme Court Cases, beginning with McCormick case in 1857, and ending with the Cimiotti case in 1905, abundantly and precisely support the statement of the point of law which was thus formulated in the Cimiotti case by Justice Day, and deduced by him from the Kokomo case. And never from the foundation of the Federal Government in the eighteenth century until now, has any decision of the Supreme Court been published, which contained any statement inconsistent with the rule of law thus finally formulated by Justice Day in the Cimiotti case.

Moreover, all these twelve cases were called to the attention of Judge Putnam, and several of them were expounded to him, before he decided this paper bag machine case in October, 1905, and they were all cited, and some of them were elaborately explained to the Circuit Court of Appeals in the defendant's brief which was presented to that tribunal in April, 1906. Nevertheless, every one of those cases was ignored in the written opinion of Judge Putnam of October, 1905, and in the written opinion of the majority of the Circuit Court of Apeals in December, 1906. And no person would ever learn, from either or both of those written opinions, that any such case as either of those twelve cases had ever been adjudicated. Indeed, no person would suspect from reading either of those written opinions, that any such rule

of law as underlies all of the twelve Supreme Court decisions, had ever been adjudicated, approved or even suggested by any judge anywhere. Moreover, no person could infer from the decision of the Circuit Court of Appeals, that the defendant's counsel had even suggested any such idea to that tribunal, either in his brief or in his argument. And though it is implied, in that part of the written opinion of Judge Putnam which is printed in lines 12 to 16 of page 2623 of Vol. VII of the Transcript of Record, that the defendant's counsel took some such ground as that before him, it is also implied elsewhere in that written opinion, that the idea thus advanced, was newly invented by the defendant's counsel for the purposes of the present case. Trans. of Rec., Vol. VII, p. 2624, last 5 lines.

At this point, this brief had presented to the Supreme Court an analytic and logical demonstration of the fact that Judge Putnam, holding the Circuit Court for the District of Maine, and Judges Lowell and Colt, constituting a majority of the Circuit Court of Appeals for the First Circuit, did in this case deliberately ignore a particular and controlling rule of the patent law, which has been adjudicated by the Supreme Court in twelve different cases, and was elaborately explained in half of those cases, and has never been dissented from by any justice of the Supreme Court, except when it was dissented from by Justice Daniel at its original establishment, in the case of McCormick *v.* Talcott, nearly fifty years ago.

This action of Judges Putnam, Lowell and Colt, in ignoring a rule of law, thus established by the Supreme Court, does not furnish any foundation for any criticism upon the judicial honor of either of those judges, because they doubtless followed their own judicial convictions in so doing.

But this action of Judges Putnam, Lowell and Colt does distinctly raise the question whether the decisions of the Supreme Court, on questions of law, are binding on the inferior Federal Courts in other cases, or are only advisory therein. No question more fundamental than that, can ever be raised in any petition for a writ of certiorari, and a denial of the present petition would imply a disclaimer by the Supreme Court of any power to bind anybody except the parties to a particular suit, by any decision of any question of law.

Another Question of Law.

The question of law now referred to, is properly formulated as follows:

"Where an invention was diligently developed from a mental conception, and an efficient disclosure of that conception, through a gradually evolving series of drawings, and through an application for a patent, and through a prosecution of that application, and an obtaining of that patent, and through first building one experimental machine embodying the invention, and afterward building, and introducing and maintaining in commercial use, a number of machines embodying that invention; at what point of time in the course of that development, is that invention entitled to take its date."

This question is involved in this case, because the Claussen invention of the defendant's machines, passed through that history, from a date just sixty-two days prior to the date to which the Liddell invention was found by the Circuit Court of Appeals to be entitled to be carried back.

The decision of the Circuit Court of Appeals upon this subject, is stated in the following single sentence:

"But Liddell's invention is carried back to January 7, 1896, and no drawing of Claussen made before that

time, shows any operative combination which anticipates it." Trans. of Rec., Vol. VIII, p. 3, lines 6-8.

Now the petitioner claims that Claussen's invention antedates that of the patent in suit, notwithstanding the found fact that no drawing of Claussen, made before the date of the Liddell invention, shows an operative combination; because Claussen, two months before that date, did conceive his invention, and did disclose it to another mechanical engineer, and did delineate it in a drawing, which though not accurate enough to depict an operative combination, was instructive enough to teach any person skilled in the art how to build such paper bag machines as those of the Continental Paper Bag Company, which Claussen himself afterward built; and because, having made that disclosure in that drawing, two months before the date found by the Circuit Court of Appeals as that of the Liddell invention, Claussen, with due diligence, and entirely independent of Liddell and of the Liddell invention, did develop his own invention into a large number of operative paper bag machines, which have now been used commercially for a number of years.

The history of the development of the Claussen invention was as follows:

On November 6, 1895, Edward E. Claussen of Hartford, Connecticut, who had then been a mechanical engineer and inventor in paper bag machinery for more than ten years, made a rough drawing, a copy of which occupies page 3 of Vol. VI, of the Transcript of Record; and on or about that day he explained that rough drawing to Benjamin F. Des Jardins, another mechanical engineer, who was competent to understand it, and who did understand it. The original rough drawing was dated when it was made, and no doubt or denial of the genuineness of that drawing, is expressed or implied anywhere in the Record. That drawing of November 6,

embodied and showed that distinctively new invention in paper bag machinery, which was afterward patented in the Claussen patent, No. 598,497, and which is particularly claimed, in various forms of language, in each of many of the claims of that patent.

On November 23, 1895, Mr. Claussen began to make a large colored drawing, which he finished on January 17, 1896, and which was signed and dated by him, and witnessed by Mr. Des Jardins on that day. That original colored drawing was put in evidence in this case, but was not reproduced for the bound volumes of the Record, though it was shown to the Circuit Court and the Circuit Court of Appeals, at the hearings in those tribunals. Mr. Claussen testified that that large colored drawing of January 17, 1896, shows the same mechanism as the rough drawing of November 6, 1895, but worked out more elaborately. Trans. of Rec., Vol. IV, p. 82, Q. 309.

About February 1, 1896, Mr. Claussen began making the drawings for the application No. 600,861, in pursuance of which the Claussen patent No. 598,497 was afterward granted. The eight sheets of drawings of that application were all personally made by Mr. Claussen, and the specification of that application was personally written by him, within the next six months.

July 29, 1896, Mr. Claussen filed his application No. 600,861, in the Patent Office, and he diligently and regularly prosecuted that application until the patent was granted in pursuance thereof.

February 8, 1898, that patent, No. 598,497, was granted, and during the eighteen months the application therefor was pending in the Patent Office, Mr. Claussen personally made proper working drawings, and built his first experimental machine, in accordance with the drawings and specification of that application and patent. Transcript of Record, Vol. IV, p. 60, Qs. 229 to 234.

In May, 1898, Mr. Claussen made a contract for the sale of his patent No. 598,497, to Herman Elsas, which contract resulted, on June 6, 1899, in the assignment of that patent to the Continental Paper Bag Company, which Mr. Elsas had organized in the meantime, and of which he has always been the president. Trans. of Rec., Vol. IV, p. 410, Qs. 11 to 12 and p. 522.

In 1898 and 1899, Mr. Claussen made a new set of construction drawings, and built a second machine under the Claussen patent No. 598,497. When that machine was completed, twenty-seven more machines like it were built by the Continental Paper Bag Co., and sent to the factory of that company in Rumford Falls, Maine. In the meantime, four other sets of construction drawings were completed, and many more machines were built according to those drawings, so that the factory began making the paper bags with them in the year 1901, and increased its number of Claussen paper bag machines to fifty-eight in June, 1902, and one hundred and sixty-one within two years thereafter.

When this case was argued before Judge Putnam in February, 1905, one of those one hundred and sixty-one machines was in the Court House for his examination, and the other one hundred and sixty, were running making paper bags at the rate of five million per day, in the factory of the Continental Paper Bag Company in Rumford Falls, Maine.

While this development of the Claussen invention of the defendant's paper bag machines was going forward from November 6, 1895, until February, 1905, the Liddell patent, upon which this suit is based, had the following history:

January 7, 1896, is the date found by the Circuit Court of Appeals for the origin of Liddell invention. That finding is based in the Record upon the testimony of Rudolph M. Hunter, which is to the effect that Wil-

liam Liddell made that invention in his presence and in his office in Philadelphia, on the afternoon of January 7, 1896. And it is a proved and undisputed point in the case, that Mr. Liddell never did anything toward developing that invention, or reducing it to practice, at any time after that day.

On February 6, 1896, Rudolph M. Hunter, as attorney in fact for Mr. Liddell, the alleged inventor, filed an application, No. 578,291, for a patent, which application was duly granted, and which patent was issued April 28, 1896 as No. 558,969, and is the patent upon which this suit is based.

Nobody ever did anything toward developing the Liddell invention any further, or toward building a machine under the Liddell patent until 1903, when William A. Lorenz, a mechanical engineer of great ability, built the one so called Liddell machine, which is referred to in the decision of the Circuit Court of Appeals in this case. Trans. of Rec., Vol. VIII, p. 4, lines 14 to 16.

It was on the basis of these comparative histories of the Claussen invention and the Liddell invention, that the Circuit Court of Appeals decided that the Liddell invention is older than the Claussen invention, because it is carried back to January 7, 1896, and because no drawing of Claussen made before that time, shows any operative combination.

But the petitioner claims that though the Liddell invention be carried back to January 7, 1896, and though no drawing by Claussen made before that time shows an operative combination; nevertheless, the Claussen invention is older than the Liddell invention, because it was made two months earlier, and was disclosed to Des Jardins when it was made, and was substantially shown in the rough drawing of November 6, 1895, a copy of which occupies page 3 of Vol. VI of the Transcript of Record, and because Claussen and his assignee, the Con-

tinental Paper Bag Company, diligently carried forward the development of his invention, from November 6, 1895, until February, 1905, when they had one hundred and sixty Claussen machines, which had cost more than $300,000 to build, running in the Continental Paper Bag Company's factory in Rumford Falls, Maine, making more than five million paper bags a day.

Now if Claussen had never done anything toward developing his invention, after making his drawing of November 6, 1895, and disclosing his invention to Des Jardins at that time, it would be admitted that his conception, drawing and disclosure of November, 1895, would not be entitled to affect the validity or scope of the patent in suit, which the Circuit Court of Appeals found to be based upon an invention made by Liddell on January 7, 1896. But the petitioner and the petitioner's counsel think that the fact that Claussen and his assignee, the Continental Paper Bag Company, did diligently develop the Claussen invention of November, 1895, into a great commercial success, while the Liddell patent was held in non-use, entitles the Claussen invention in the eye of the law, to date back to November 6, 1895, and thus to date two months earlier than the earliest date found by the Circuit Court of Appeals for the Liddell invention. And this was the contention which the Continental Company presented to the Circuit Court of Appeals, and which was overruled by that tribunal, on the sole ground that the Claussen drawing of November 6, 1895, does not show an operative combination.

This difference between the contention of the Continental Paper Bag Company, and the conclusion of the Circuit Court of Appeals, presents the question of law, which is being brought to the attention of the Supreme Court, in this division of this brief.

Those portions of the statutory laws of the United States relevant to patents, which are now embodied in

section 4920 of the Revised Statutes, include one point which relates to this question. That section of the Revised Statutes provides that in any action for infringement, the defendant may effectively prove any one or more of five specified defenses, the second of which is stated to be that the patentee surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same.

So far as this provision is based upon the word "surreptitiously," it is inapplicable to the present issue of law, because Liddell did not personally know Claussen, any more than Claussen personally knew Liddell, and because there is no evidence in the case to show that either of them surreptitiously derived any idea in paper bag machinery from the other. But so far as this statute is based upon the word "unjustly," it indicates that Congress thought it to be unjust for a plaintiff to enforce his patent against anybody, where the invention covered by that patent was previously invented by another inventor, who was using reasonable diligence in adapting and perfecting it, at the time it was re-invented by the plaintiff. And if it would be unjust for such a second inventor to enforce his patent against anybody, it would be still more unjust for him to enforce it against the first inventor or his assignees, although the first inventor, instead of rushing into the Patent Office with an application for a patent on a complicated invention said to have been made in one winter afternoon, did employ himself for two months before that afternoon, and six months after it, in perfecting his invention, before applying for a patent thereon.

Justice Story decided more than sixty years ago, that: "He who invents first shall have the prior right, if he is using reasonable diligence in adapting and perfecting the same, although the second inventor has, in fact, first

perfected the same, and reduced the same in practice to a positive form. Reed *v.* Cutler, 1 Story, 590, 1841.

The Supreme Court has already once decided that an invention relating to machinery may be exhibited in a drawing, so as to lay the foundation of a claim of priority, if it be sufficiently plain to enable those skilled in the art to understand it. Loom Co. *v.* Higgins, 105 U. S., 580, syllabus 8, and page 594, lines 21-25. This is contrary to the decision of the majority of the Circuit Court of Appeals in this case, which expressly held that such a drawing must, in order to have that effect, show an operative combination. Many drawings are good enough to show the character of an invention to those skilled in the art, which do not show an operative combination. Indeed, the drawings of this very Liddell patent in suit, belong to that category. Trans. of Rec., Vol. IV, pp. 188-190. Therefore, the opinion of the majority of the Circuit Court of Appeals on this question of law, is opposite to that of the Supreme Court.

Moreover, the opinion of the majority of the Circuit Court of Appeals on this question in this case, is opposite to another opinion of the same tribunal, in a case decided less than twenty-eight months earlier. That is the case of Westinghouse Elec. & Mfg. Co. *v.* Stanley Instrument Co., 133 Fed. Rep., 167, 1904. That case was based on two alternating current electric motor patents, one of which was on a motor, and the other of which was on the process of using that motor, and both of which embodied the invention which is known among electricians as the Tesla split-phase derivation electric motor. The writer of this brief was the counsel for the defendant in the first case ever litigated on those patents, and knows all about them, and their history. Westinghouse Electric & Mfg. Co. *v.* Dayton Fan & Motor Co., 106 Fed. Rep., 724, 1901, and Dayton Fan & Motor Co.

v. Westinghouse Electric & Mfg. Co., 118 Fed. Rep., 562, 1902.

Those two patents were applied for together on December 8, 1888, and were issued together on December 26, 1893. In the Stanley Instrument case, a copy was put in evidence of a paper which was written in Italy by a celebrated Italian physicist, Prof. Ferraris, and was published in Italy, April 22, 1888, and which described and showed, with technical accuracy, the very same invention as that upon which the Tesla patents in suit were based. That printed publication was confessedly fatal to the validity of those patents, unless it could be met by evidence that Tesla had made the same invention prior to April 22, 1888. It was met by testimony intended to show that Tesla had disclosed that invention to a Mr. Brown in the Fall of 1887, and to a Mr. Page, on some day in April, 1888, prior to April 22. The Circuit Court of Appeals set aside the testimony of Mr. Brown, as perhaps mistaken; but it decided that, although Tesla showed no drawing or model or motor to Mr. Page in April, 1888, he did orally describe the invention to Mr. Page on some day in that month, at least as early as April 18, and perhaps as early as April 8. And so deciding, the Court held Tesla to be entitled to priority over Ferraris.

But now, in this paper bag machine case, the majority of the same court decided that Claussen it not entitled to priority over Liddell, because, he did not, prior to the origin of the Liddell invention make any drawing which shows an operative combination. Thus the Circuit Court of Appeals awarded to Tesla, priority over Ferraris, because the mere oral disclosure of Tesla to Page was certainly four days and possibly fourteen days, earlier than the Ferraris publication; and the majority of the same Court denied priority to Claussen over Liddell, because Claussen did not, prior to the Liddell date, make

a drawing showing his invention in operative form. This inconsistency can be accounted for on the fact that neither of the two judges who made up the majority of the Court in this case, was one of three judges who decided the Tesla case, and on the fact that the multiplicity of citations which were presented to the court in this case, did not include the Tesla case, and on the resulting possibility that the two judges have never read the decision in the Tesla case. Nevertheless, the decision of the three judges in that case is citable against the decision of the two in this case. And the decision of the three in the Tesla case is supported by a decision to the same effect on the same facts and same patents, in the Circuit Court for the Eastern District of Pennsylvania, 125 Fed. Rep., 11, lines 16 to 11, from the bottom.

Thus it appears that that part of the decision of the majority of the Circuit Court of Appeals, in this case which is comprised in the paragraph marked II, on page 3 of Vol. VIII of the Transcript of Record, is inconsistent with Sec. 4920 of the Revised Statutes of the United States, and with one decision of the United States Supreme Court, and with one decision of a full bench of the same Circuit Court of Appeals, and with one old decision of Justice Story, and with one new decision of the Circuit Court for the Eastern District of Pennsylvania.

A Question of Fact.

That part of the opinion of the majority of the Circuit Court of Appeals, which constitutes the last paragraph of page 2 of Vol. VIII of the Transcript of Record, correctly states a question of fact, upon the decision of which the suit depended, as well as upon the questions of law which have thus far been the subject of discussion in this brief. That paragraph of the decision of the Circuit Court of Appeals is as follows:

"The defendant alleges that the invention of the patent in suit, whatever that invention may be, was not made by the patentee Liddell, but by Hunter, his patent solicitor. He contends that from between the formal blanks which had been signed by Liddell, Hunter withdrew the specifications which had made part of the application at the time of its signature, and that afterwards, before filing the application in the Patent Office, Hunter inserted other specifications without Liddell's knowledge. We do not feel ourselves required to review the evidence adduced to support this theory; it is insufficient to establish that the serious crime alleged was committed by Hunter."

The "serious crime" alleged by the defendant to have been committed by Hunter, was the crime of forgery; and the Circuit Court of Appeals in deciding that the evidence was insufficient to establish the fact of that crime, was guided by the rule, that crimes, to be established, must be proved beyond a reasonable doubt, and cannot be proved by such a preponderance of evidence, as stops short of excluding reasonable doubt.

The question whether Hunter did or did not commit the alleged crime of forgery, is the subject of the following portions of the testimony in the Transcript of Record.

The first deposition of William Liddell, which is printed on pages 527 to 770, inclusive, of Vol. IV of the Transcript of Record.

The second deposition of William Liddell, which is printed on pages 886 to 903, inclusive, of Vol. IV, of the Transcript of Record.

The deposition of Henry Drury, which is printed on pages 904 to 933, inclusive, of Vol. IV of the Transcript of Record.

The deposition of Julia A. Cooke, which is printed

on pages 881 to 885, inclusive, of Vol. IV of the Transcript of Record.

The deposition of Rudolph M. Hunter, which is printed on pages 1 to 137, inclusive, of Vol. II of the Transcript of Record.

The deposition of Ernest H. Hunter, which is printed on pages 582 to 619, inclusive, of Vol. II of the Transcript of Record.

All of these depositions, except those of Rudolph M. Hunter and his brother, Ernest H. Hunter, were taken by the defendant, to prove the affirmative of the question of forgery, and neither of those four affirmative depositions contains any testimony tending to prove the negative of that question. The only really negative evidence in the Record upon that question, is contained in the deposition of Rudolph M. Hunter, the accused person; for the deposition of his brother, Ernest H. Hunter, while taken for the purpose of corroborating the accused person, has no material tendency in that direction.

The writer of this brief personally attended the taking of all the depositions on both sides of this question, and was the only person representing the defendant, who ever had any conversation with any of the witnesses relevant to the subject. He is thoroughly acquainted with all the direct and all the circumstantial evidence in the Record which relates to that question, and he will accept any opportunity which may be given, to show this court that the affirmative of the question is established in that evidence beyond a reasonable doubt. But inasmuch as that evidence includes more than four hundred and fifty pages of depositions, and some documentary evidence, it cannot be thoroughly analyzed and explained in any brief of moderate length, without assistance from an oral argument.

For these reasons, and because the question of forgery or no forgery of the specification of the patent in

suit, is one which has never before arisen in any American patent case, and may not be expected to arise in any such case hereafter, and also because the other reasons in the Record for granting a certiorari, seem to the petitioner and the petitioner's counsel to be conclusive; the Supreme Court was not asked in the petition for the certiorari to consider the question of forgery or no forgery of the specification of the patent in suit.

But it is open to the Court to base a writ of certiorari partly or even wholly upon the existence of that question in the case, if the justices of the Court think that a monopoly so extensive as that awarded to the respondent corporation, by the decision of the Circuit Court of Appeals, should not be confirmed, without an investigation by this Court, of the question whether the monopolizing patent was the result of an invention by Liddell, or was the result of a forgery by Hunter.

Importance of This Case.

The question whether this court will exercise its power to grant a writ of certiorari in this case, depends upon whether the decision of the Circuit Court of Appeals for the First Circuit, is sufficiently open to criticism, and whether the case is sufficiently important, to make it the duty of the Supreme Court to review and to rectify that decision. Law Ow Bew Petitioner, 141 U. S., 587, 1891.

The question whether this case is sufficiently open to criticism and is also sufficiently important to make it the duty of the Supreme Court to review and rectify the decision of the Circuit Court of Appeals, is a question which can best be answered by reference to those patent cases which have heretofore been decided by the Supreme Court in pursuance of such writs of certiorari.

During the sixteen years which have passed since the enactment of the Judiciary Act of 1891, the Supreme

Court has decided only nine patent cases which were brought to this tribunal by writs of certiorari. And the following is a list of those cases:

Dashiell *v.* Grosvenor, 162 U. S., 425, 1896. Affirmed in a unanimous opinion delivered by Justice Brown.

Westinghouse *v.* Boyden Power Brake Co., 170 U. S., 537, 1898. Affirmed in an opinion delivered by Justice Brown, and dissented from by Justices Gray, Brewer, Shiras and McKenna.

Mast, Foos & Co. *v.* Stover Mfg., 177 Fed. Rep., 485, 1900. Affirmed in a unanimous opinion delivered by Justice Brown.

Hobbs *v.* Beach, 180 U. S., 383, 1901. Affirmed in a unanimous opinion delivered by Justice Brown.

U. S. Repair Co. *v.* Assyrian Asphalt Co., 183 U. S., 591, 1902. Affirmed in a unanimous opinion delivered by Justice McKenna.

Carnegie Steel Co. *v.* Cambria Iron Co., 185 U. S., 403, 1902. Reversed in an opinion delivered by Justice Brown, and dissented from by Chief Justice Fuller, and Justices Harlan, Brewer and White.

Kokomo Fence Mach. Co. *v.* Kitselman, 189 U. S., 8, 1903. Reversed in a unanimous opinion delivered by Chief Justice Fuller.

Singer Co. *v.* Cramer, 192 U. S., 265, 1904. Reversed in a unanimous opinion delivered by Justice White.

Cimiotti Unhairing Co. *v.* American Fur Refining Co., 198 U. S., 399, 1905. Affirmed in a unanimous opinion delivered by Justice Day.

Coming now to compare this list of nine cases with the present case, in point of openness of the decisions of the Circuit Courts of Appeals to criticism, it appears, that the decisions of the Circuit Courts of Appeals were affirmed in two-thirds of the nine cases, and were there-

by finally found to be not open to criticism. And it also appears, that in one of the three cases in which the decisions of the Circuit Courts of Appeals were reversed, there were four dissentors in this court, from that reversal. And it also appears that in another of those three cases, the point upon which the decision of the Court of Appeals was reversed, is identical with the second point upon which the present petition for a certiorari is based. And it will also be found on examining the opinion written by Justice White in the third of those reversed cases, that it was partly based upon that same point of law. On the whole, it plainly appears that the decision of the Circuit Court of Appeals in this case, is open to more criticisms, and more fundamental and important criticisms, than those to which any of the nine cases was found by this court to be obnoxious.

When the questions which are involved in this case are compared in point of importance with the questions which were involved in the nine cases, it will be found that, though a few of the nine cases were apparently more important to the parties thereto, than this case is important to the parties therein; the questions involved in this case are much more important to the science of the patent law and to the public, than were those questions which were involved in any of the nine cases.

For these reasons, the petitioner, and the petitioner's counsel respectfully submit to the Court, that the present petition for a certiorari ought to be granted.

February 1, 1907.

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